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Sub-Saharan Africa Report

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12 MAY 1986

SUB-SAHARAN AFRICA REPORT

CONTENTS

ANGOLA

Briefs

- Talks Held With EEC Delegation 1

BOTSWANA

Briefs

- New Laws Against Terrorism, Spying 2
SATUCC Executive Secretary Departed 2

GHANA

- Shake-Up in Justice Department, Justices Removed
(GHANAIAN TIMES, 4 Apr 86) 3

- Project To Improve Air Traffic Services Begins
(Adwoa Van-Ess; PEOPLE'S DAILY GRAPHIC, 27 Mar 86) 5

- EEC Aid Earmarked for Western Region Road Repair
(PEOPLE'S DAILY GRAPHIC, 2 Apr 86) 6

- Record Cotton Purchases, New Development Company
(Ayikwei Arman, Anthony Tawiah; PEOPLE'S DAILY GRAPHIC,
5 Apr 86) 7

Briefs

- ADB Aid for Economic Recovery 8
National Security Council Reorganized 8
Nigerian, Libyan Oil Payments 8
New Excise Duties 9
Leave Allowances Abolished 9
Judicial Appointments 9
Northern Region Crop Production 9
GDR Installs Electronic Equipment 10
Delegation to BCP 10
News Exchange With Iran 10

LESOTHO

Lekhanya Interviewed on Government's New Political Approach (Gerald L'Ange; THE STAR, 24 Mar 86)	11
Lesotho Commentary Views U.S. Action Against Libya (Maseru Domestic Service, 16 Apr 86)	13

MALAWI

Briefs	
Bridge Washed Away	14

MOZAMBIQUE

Regions South of Save River To Benefit From Water Project (Estacio Baptista; NOTICIAS, 21 Mar 86)	15
French Company Finances Water Filtration Program (NOTICIAS, 21 Mar 86)	17
Italian Agricultural Equipment Expected (NOTICIAS, 21 Mar 86)	18
'Serious' Food Shortage Hits Zambezia Province (Maputo Domestic Service, 19 Apr 86)	20
Chibuto District Overfulfills Cashew Goal (NOTICIAS, 21 Mar 86)	21
Briefs	
French Donation for Children	23
Bulgarian Donation	23
USA for Africa Donation	23

NAMIBIA

Sparks Continue To Fly Over Thirion Report (Brian Jones; THE WINDHOEK ADVERTISER, 11 Mar 86)	25
High Unemployment, 'Massive' Living Costs Increases Reported (Jean Sutherland; THE WINDHOEK ADVERTISER, 3 Apr 86)	27

SWAZILAND

Briefs	
Factory Premises Needed	28

ZAMBIA

Kaunda Supports Auction, Moves To Reduce Abuses, Costs (TIMES OF ZAMBIA, 5 Apr 86; ZAMBIA DAILY MAIL, 5 Apr 86)	29
Forms Economic Advisory Council	29
Mission Closures Announced	31

Reportage on Cost of Living, Consumer Prices (PRICEWATCH, 9 Apr 86; TIMES OF ZAMBIA, 11 Mar 86)	32
Cost of Living Up, by Polliet Chikole	32
Price Irregularities Noted	35
Officials Set District Prices	38
Papers Report on External Debt Retirement Strategies (ZAMBIA DAILY MAIL, 13 Mar 86; TIMES OF ZAMBIA, 19 Mar 86)	39
Paris Club Agrees to Rescheduling	39
Short Term Repayment Plan	40
Commerce Minister Outlines Incentives for Foreign Investors (TIMES OF ZAMBIA, 12 Mar 86)	42
Motion by Back Benchers To Stop Licensing Foreign Miners (TIMES OF ZAMBIA, 20 Mar 86)	44
Government To Sell Algerian Food Aid Throughout Country (TIMES OF ZAMBIA, 13 Mar 86)	45
Beef Exports to Angola, Congo Seen Rising (TIMES OF ZAMBIA, 27 Mar 86)	46
EEC, European Assistance to TAZARA Detailed (THE KENYA TIMES, 1 Apr 86)	47
Three Accused, Deny Spying for South Africa (TIMES OF ZAMBIA, 11 Mar 86)	48
Two in Court Over RSA Uniforms, Weapons Possession (THE CITIZEN, 24 Mar 86)	49
Prices of Oil, Oil Products Examined (TIMES OF ZAMBIA, 31 Mar, 1 Apr 86)	50
Businessmen Complain of Overpricing, by Peter Soko	50
Government Remains Firm on Prices	51
Parliament Adopts Motion on Miner Resettlement (TIMES OF ZAMBIA, 13 Mar 86)	53
Mining Production, Sales, Profits Discussed (TIMES OF ZAMBIA, 11 Mar 86)	55
TAZARA Slashes Fares in Bid To Increase Freight Volume (ZAMBIA DAILY MAIL, 11 Mar 86)	56
Oxygen Firm Plans Layoffs To Offset Economic Crisis (TIMES OF ZAMBIA, 13 Mar 86)	58

Diesel Shortage in Lusaka, Copperbelt (TIMES OF ZAMBIA, 17, 19 Mar 86)	59
Shortage Reported	59
Transportation, Industry Affected	60
Government Remains Firm on Non-Subsidization of Fertilizer (TIMES OF ZAMBIA, 27 Mar 86)	61
Government Suspends Sales Tax on Locally Assembled Vehicles (TIMES OF ZAMBIA, 31 Mar 86)	62
Rail Problems Prevent Sugar Shipments (TIMES OF ZAMBIA, 2 Apr 86)	63
Layoffs in Textile Industries Announced (ZAMBIA DAILY MAIL, 9 Apr 86)	64
Briefs	
Riffed Diplomats Returning	66
Japanese Assistance	66
More Workers for Iraq	66

ZIMBABWE

Committee Named To Report on Parastatals' Viability (THE HERALD, 18 Feb 86)	67
Editorial Advocates No Truce in War Against Corruption (THE SUNDAY MAIL, 30 Mar 86)	69

SOUTH AFRICA

AFRIKANER/GOVERNMENT

Banker, Theologians Discuss Sanctions, Disinvestment (Johannesburg Television Service, 7 Apr 86)	70
Development Bank Chief's Comments, Simon Brand Interview	70
Church Official, Theologian Debate, Beyers Naude Interview	71

BLACKS

Transkeians Hold Annual Congress, National Assembly (SAPA, various dates)	78
Chief Matanzima Opens Meetings	78
Minister Condemns Disinvestment Call	79
President Reproaches School Boycotters	80

'Necklace' Statement by Winnie Mandela Stirs Controversy (SAPA, 15 Apr 86; Johannesburg Domestic Service, 17 Apr 86)	82
AFP Clarification	82
Commentary Scores ANC	82
BBC Interviews Hurley on Talks With ANC (BBC World Service, 17 Apr 86)	84
Bishop Tutu Warns of Another Civil War (SAPA, 16 Apr 86)	85
Azapo Condemns Health Minister's Warning (SAPA, 15 Apr 86)	87
Buthlezi Says Kangwane Leader Turns Back on Blacks (SAPA, 14 Apr 86)	88
Briefs	
Buthlezi Says Country Not Ungovernable	89
SOCIOPOLITICAL/OTHER	
SABC Commentary Hails Reagan, Crocker Comments (Johannesburg Domestic Service, 11 Apr 86)	90
Namda Concerned Over Minister's Warning (SAPA, 14 Apr 86)	92
PFP Spokesman Urges Nonracial Education (SAPA, 16 Apr 86)	93
Briefs	
New Zealand Rugby Team Criticized	95
More Professionals Immigrate Than Emigrate	95
ECONOMIC	
Briefs	
Imports Increase 1 Billion Rands	96
Exports Increase 25 Percent	96
INDUSTRIAL/S&T	
Details of Country's Automobile Industry Given (Jeremy Sinek; THE SUNDAY STAR, 23 Mar 86)	97
Briefs	
New Air Service to Bloemfontein	100
Leyland Site for Sale	100
Tunnel Construction Costs Soar	100

12 May 1986

ANGOLA

BRIEFS

TALKS HELD WITH EEC DELEGATION--An EEC delegation is continuing its talks with Angolan officials in Luanda. After the presentation of a report on Angola's economic situation at the opening of the talks, the EEC delegation met with Afonso van Dunem Mbinda, minister of external relations, and Emilio Guerra, minister of fisheries. The talks will resume today with Angola presenting proposals in the fields of agriculture, fisheries, transport, communications, health, and energy. At the opening of the talks, Carlos Fernandes, state secretary for cooperation, emphasized that food aid is still extremely important to Angola when the country's current situation is considered. The talks will end on Saturday with the signing of a draft agreement on the implementation of the Lome III accord which regulates administrative and technical matters. [Text] [Luanda Domestic Service in Portuguese 0500 GMT 16 Apr 86 MB] /8918

CSO: 3400/1527

BOTSWANA

BRIEFS

NEW LAWS AGAINST TERRORISM, SPYING--Gaborone--With the conflict between South African security forces and the African National Congress spilling increasingly across Botswana's borders, the Gaborone Government has countered with tough new laws against terrorism and spying. A draft Bill published in the Government Gazette provides for stiff penalties of up to 30 years' imprisonment for newly designated offences including making sketches, plans or models which might be of use to a foreign power. The memorandum on the Bill says recent actions have given the Botswana Government cause for concern over the safety and security of the people. These acts included the South African commando raid on Gaborone last year, the blowing up of a house in a Gaborone suburb, the killing of a man by a bomb planted in his car and the explosion at a Mochudi hospital that killed several people. The Bill would make it an offence to disclose information about the defence and security of Botswana in a manner prejudicial to the country's security. This would include divulging information about the movements of police and army units. Other offences would include using a vehicle with false number plates, forging documents, falsely pretending to be a government officer and harbouring a person intending to commit an offence under the terms of the Bill. [Text] [Johannesburg THE STAR in English 21 Mar 86 p 9] /9317

SATUCC EXECUTIVE SECRETARY DEPORTED--Gaborone, 17 April (BOPA/PANA)--The executive secretary of the Southern African Trade Union Coordinating Council (SATUCC), Mr Chakufa Chihana left Botswana for Johannesburg last Wednesday after his residence permit was canceled by the minister of home affairs 2 months ago. Speaking in an interview with BOPA yesterday, the Chief Immigration Officer, Mr Sylvester Moapare, could not tell the final destination of Mr Chihana who left the country following the rejection of an appeal on his behalf by the Botswana Federation of Trade Union (BFTU) to the president to have the cancellation of his residence permit revoked. The Malawi-born executive secretary general stayed longer than allowed by the authorities, following a successful application to the minister of labor and home affairs to have his stay extended while winding up his business and finishing a report to be presented to the next conference of SATUCC. Asked if the minister's decision meant that Mr Chihana will no longer be allowed into the country, Mr Moapare said that the cancellation of the residence permit does not automatically make a person a prohibited immigrant. He said if Mr Chihana wanted to visit the country, he was free to make an application to that effect. Mr Moapare said that while considering the application, a decision will be taken on whether or not to allow him to enter the country depending on reasons advanced in the application. [Text] [Dakar PANA in English 1015 GMT 17 Apr 86 MB]/12766

GHANA

SHAKE-UP IN JUSTICE DEPARTMENT, JUSTICES REMOVED

Accra GHANAIAN TIMES in English 4 Apr 86 pp 1, 3

[Text]

THE PNDC, in consultation with the Chief Justice, yesterday announced a review of the appointments of some personnel of the Judiciary on grounds of corruption, incompetence, inefficiency, alcoholism and ill-health.

An official release said:

* Mr Justice Enock Edusei and Mr Justice Wiredu have been removed from the bench as judges of the Court of Appeal. The two have been cited in several cases of corruption.

* Mr Justice Victor G. A. Kisseih, Mr Justice K. B. Hayfron, Mr Justice S. S. Okunor, Mrs Justice Owusu Addo, all High Court judges, and Mr Maximus Atta-Fynn, a Circuit Court judge, have been retired on health grounds.

* Mr Justice Jonathan A. Wutoh, Mr Justice Gideon K. Quaye, Mr Justice A. Gogo and Mr Justice Adadevoh have been removed on grounds of inefficiency and incompetence.

* Mr Justice P. K. Twumasi, Mr Justice Ansaah Twum both of the High Court, and Mr Justice Adzovie, a Circuit Court judge, have been removed for their involvement in various cases of corruption.

Mr Justice Apatu Plange, a High Court judge, has been removed from office for being cited in numerous fraud cases which came before the Committee of Inquiry (Mal.

practices in Insurance Claims and Related Matters) and for which adverse findings were made against Mr Dan Nii Oku, an Accra-based barrister currently facing trial at the Public Tribunal for the same offences.

Meanwhile, Mr J. D. Amartey, District Magistrate has been dismissed for dishonourable conduct whilst Mr Justice Kaleo Bio, High Court judge, Mr

Sepenu, Circuit Court judge, and Mr Nuhu, District Magistrate, have been removed from office for persistent drunkenness.

Sub-section (2), (3) and (4) of Section 22 of the Provisional National Defence Council (Establishment) Proclamation (Supplementary and Consequential Provisions) Law 1982 (PNDC Law 42) have been repealed. the release added

/12851

CSO: 3400/1559

GHANA

PROJECT TO IMPROVE AIR TRAFFIC SERVICES BEGINS

Accra PEOPLE'S DAILY GRAPHIC in English 27 Mar 86 p 1

[Article by Adwoa Van-Ess]

[Text]

A PROJECT consisting of the design, supply and installation of equipment and training of personnel for the provision of improved air traffic services within the Accra Flight Information Region, Accra (FIR), has taken off.

The project which is under a C4.8 million loan agreement between Ghana and Canada is being undertaken by a Canadian firm, Messrs Intelcan Technosystems Inc. It will be completed within 21 months.

The improvement of the Accra FIR is one of a number of projects being undertaken by the Department of Civil Aviation to improve facilities at the Accra FIR.

According to reliable sources at the Department of Civil Aviation (DCA), even though the present state of the surface of the runway of the airport is within acceptable international standards, plans are underway to improve further on it to give it a longer life-span.

The sources said there are plans to build a new cargo terminal since the existing one is only a makeshift arrangement.

Consequently, a team made up of representatives from the Ministry of Transport and Communications, the Architectural and Engineering Services Corporation (AESC) and the DCA is to visit some selected airports in Senegal and the Ivory Coast soon and come out with the right specifications for the construction of a suitable cargo terminal for the airport.

On the provision of a place for transit passengers, the sources said the DCA is considering the construction of a new VIP arrival lounge beside the present arrival hall. The sources explained that it is an accepted practice for transit passengers to either remain on board the aircraft or go to the departure hall as circumstances may dictate.

The sources agreed that the idea of the provision of hotel facilities at the airport was laudable but said a decision is yet to be taken on the renovation of the old Lisbon Hotel to meet this requirement.

On money accrued to the department since the introduction of overflight charges for aircraft using the Accra FIR in July, 1985, the sources said the DCA has realised about \$500,000. It is believed that the amount has gone towards servicing the loan agreement.

In August, 1985, the DCA embarked on the above projects in a bid to improve facilities at the Kotoka International Airport and raise the Accra FIR to international standard.

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CSO: 3400/1559

GHANA

EEC AID EARMARKED FOR WESTERN REGION ROAD REPAIR

Accra PEOPLE'S DAILY GRAPHIC in English 2 Apr 86 pp 1, 8

[Text]

ABOUT 80 per cent of a 70 million pounds sterling aid granted to Ghana by the European Community (EC) has been earmarked for the rehabilitation of roads in the Western Region.

The remaining 20 per cent of the aid would be used on other development projects in the region.

The Western Regional Secretary, Dr E. G. A. Don-Arthur, announced this at a meeting of the Sefwi-Wiawso Traditional Council.

Dr Don-Arthur who is on an 11-day tour of the Sefwi-Wiawso District, explained that under the medium-term Economic Recovery Programme (ERP), priority was being given to the development of the Western Region.

The Regional Secretary who held similar meetings with the Sefwi-Bekwai and

Anhwiaso Traditional Councils, said rehabilitation of roads in the area had been programmed to link the Western Region with the Brong-Ahafo Region.

He said the development of the region, especially the Sefwi area, had been necessitated by the abundance of its natural resources.

Dr Don-Arthur therefore appealed to chiefs and people of the area to desist from petty squabbles, litigations and other negative acts that would militate against the development of the area.

Accompanying the Regional Secretary is the Attorney-General and Secretary for Justice, Mr G. K. Aikins, who advised that all lands leased to farmers should be covered by agreements, indentures and relevant plans to avoid disputes.

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CSO: 3400/1559

GHANA

RECORD COTTON PURCHASES, NEW DEVELOPMENT COMPANY

Accra PEOPLE'S DAILY GRAPHIC in English 5 Apr 86 p 5

[Article by Ayikwei Arman and Anthony Tawiah]

[Text]

THE newly established Cotton Development Company (CDC) has realised a record purchase of 489,000 kilograms of seed cotton valued at C12,225,000, the highest since 1976, in the current cotton purchasing season.

With the purchasing still going on smoothly, the company formerly the Cotton Development Board (CDB), is expecting to increase the purchasing figure by 201,000 to 690,000 kilograms from its operational areas of Techiman, Kintampo, Wenchi and their surrounding areas which is going to cost the company C17 million by the end of the season in May.

This was disclosed by the Chairman of the Joint Consultative Committee Mr M. T. Abisa-Seidu, in an interview with the "Graphic" in Tamale at the company's ginnery during the Easter holidays when the workers of the company spent ginning several bales of lint cotton.

The CDC became a limited liability company with effect from last Tuesday April 1 with a 70 per cent shareholding by all the seven major textile spinning firms in the country and the remaining 30 per cent going to the government.

The firms are Akosombo Textiles Limited (ATL), Juapong Textiles, Ghana Textiles Manufacturing Company (GCMT), Freedom Textiles, Spintex, West Coast Spinning, Tema Textiles and Crystal Oil Mills which would pro-

cess the by-product of the cotton seed into oil and animal feed.

According to Mr Abisa-Seidu, the increase in output by the workers was due partly to their realisation of the financial difficulties of the company and their resolve to co-operate with management to the extent of forgoing all their allowances for one year.

This he explained placed the company in a better financial position to rehabilitate most of the broken down plant and machinery, purchase farming inputs and also to extend incentives in the form of bicycles, lanterns, hoe blades and wax prints to the farmers at the beginning of the farming season and also pay them on the spot.

The chairman stated that even though the company under the JCC was making remarkable gains, it had not been able to reach the production target of 14,000 metric tonnes of lint cotton which is approximately the quantity required for spinning by the textile industries in the country.

He was optimistic that with the increase in production, that target would soon be realised.

Mr Abisa-Seidu further stated that the existing 3,200 total acreage of cotton farms belonging to registered farmers and under the supervision of the company's extension officers were extended by 200 acres during the last farming season, and he commended the farmers for forming co-operatives.

GHANA

BRIEFS

ADB AID FOR ECONOMIC RECOVERY--The African Development Bank demonstrated its support for the first part of the Government's Economic Recovery Programme in 1983, with loans totaling 87 million dollars, Mr Harry Tlale, West Africa Divisional Chief of the Bank said in Accra yesterday. Between 1981 and 1983, the bank suspended loan facilities to Ghana because of the declining state of the country's economy. Speaking at the opening of a 2-day seminar on "Disbursement and procurements of loans," Mr Tlale said, the loan was part of its sector rehabilitation loans. He disclosed that a number of countries had been disqualified by the ADB for the granting of loans. In his opening address, Mr K. B. Amissah-Arthur, Under-Secretary for the Ministry of Finance and Economic Planning, observed that the delay in utilizing loans granted to the country had caused some donors to grant the country less facilities than she needed. Mr Amissah-Arthur noted the concern of "various donor countries on the rate of utilization," but said procedures for disbursements of loans from donors had created problems for implementing agencies. [By Francis Kokutse] [Text] [Accra GHANAIAN TIMES in English 4 Apr 86 p 12] /12851

NATIONAL SECURITY COUNCIL REORGANIZED--The National Security Council (NSC) has been reorganised with 12 members with the Chairman of the PNDC as the Chairman, according to an official statement issued in Accra last night. The members are the PNDC member and Chairman of the Committee of Secretaries, PNDC member responsible for National Security and Foreign Affairs, PNDC member and Secretary for Defence, the Force Commander and the PNDC member and Secretary for Interior. The others are the Inspector General of Police, the Chief of Staff, PNDC Headquarters, Air Force Commander, Navy Commander, the Commander of the Civil Defence Organisation (CDO), and the Political Counsellor for the Economic Development of the CDRs. The NSC is responsible to the Chairman of the PNDC who may in consultation with the National Security Council invite such persons as he may consider necessary for any deliberations of the Council. The functions of this council include the taking of measures to safeguard national security and the integration of national, foreign and defence policies. [Text] [Accra PEOPLE'S DAILY GRAPHIC in English 4 Apr 86 p 1] /12851

NIGERIAN, LIBYAN OIL PAYMENTS--The Government has paid up 123 million dollars out of 135 million dollars owed to Nigeria for crude oil purchases as at March this year. Addressing the sixth in the "Meet the Press" series in Accra yesterday, Mr E. Appiah Korang said the outstanding debt of 12.7 million dollars would be paid by next month. He said repayment of another 93.5 million dollars owed to Libya would be completed in June. [By Francis Kokutse and Douglas Owusu] [Excerpt] [Accra GHANAIAN TIMES in English 3 Apr 86 p 1] /12851

12 May 1986

NEW EXCISE DUTIES--The duty payable on edible oil, soap, cigar and tobacco has been increased following the introduction of new excise duty as part of the 1986 budget announced on radio last night by the Secretary for Finance and Economic Planning. The duty on edible oil goes up by 10 percent, salt goes up from 4 pesewas a pound to 10 cedis a pound, soap goes up from 1 cedi on 100 pounds to 2 cedis 50 pesewas. The duty on a gallon of spirits except Akpeteschie is now 30 cedis from 10 cedis while sugar will now attract a tax of 5 cedis per 100 pound weight. Cigars will attract duty of 5 cedis a pound instead of 25 pesewas a pound, negrohead tobacco 4 cedis a pound and snuff and other tobacco 5 cedis a pound instead of 2 cedis. All other manufactured goods not exempted will attract duty of 10 percent instead of 5 percent. Licence fee for a private warehouse will be 5,000 cedis instead of 500 cedis and manufacturing licence fee is now 2,000 cedis. Under general penal provisions under NRCD 114, penalty for smuggling is now 30,000 cedis while smuggling and other evasions will attract a penalty of 50,000 cedis. The penalty for bribery and extortion by an officer is 50,000 cedis and the fine for offering bribes is now 60,000 cedis. [Text] [Accra PEOPLE'S DAILY GRAPHIC in English 11 Apr 86 p 5] /12851

LEAVE ALLOWANCES ABOLISHED--The Government has decided that all those para-statal boards, Corporations and services, which depend upon government subventions should pay their employees the same allowances and at the same rates as those in force in the Civil Service. A release issued from the Ministry of Finance and Economic Planning, yesterday stated that it had also been decided that leave allowances should be abolished throughout the economy, in both the public and private sectors. The continued payment of leave allowance can no longer be justified, it said. [Text] [Accra GHANAIAN TIMES in English 5 Apr 86 p 1] /12851

JUDICIAL APPOINTMENTS--The appointments of some personnel of the Judicial Service has been reviewed by the PNDC in consultation with the Chief Justice. A release issued from the Castle, Osu, yesterday made the following appointments. --To the Court of Appeal: Mr Justice I. N. K. Wusaku, Mr Justice K. E. Amua Sekyi, and Mr Justice A. K. Ampiah. --To the High Court: Mr Moses Abakah, and Miss Georgina Lutterodt. --To the Circuit Court: Miss Beatrice Basbu and Mr Robert Kyei. Mr Dramane Y. Toure has also been appointed Deputy Judicial Secretary. The Judicial Council has been dissolved. [Text] [Accra GHANAIAN TIMES in English 4 Apr 86 p 1] /12851

NORTHERN REGION CROP PRODUCTION--The Northern Region is to produce 64,000 tons of paddy rice this farming season. The region also estimates to produce 75,000 tons of maize, 64,000 tons of sorghum, 25,300 tons of millet plus 300,000 tons of yam, 30,600 tons of groundnuts and 7,000 hectares of land will be put under cultivation for cowpea production. These were announced by the acting Regional Director of Agriculture, Mr S. U. Anane, at the end of a 3-day workshop on the theme "Improving Farming Systems in the Sahara Zone" at the Nyankpale Agricultural College yesterday. He declared that the gap between farmers' level of production and that of improved technology could be closed through the close cooperation between research and extension personnel by extending research results to the farmers. [By Ayikwei Arman] [Excerpt] [Accra PEOPLE'S DAILY GRAPHIC in English 11 Apr 86 p 1] /12851

GDR INSTALLS ELECTRONIC EQUIPMENT--The Government of the German Democratic Republic (GDR) has completed installation of a number of electronic equipment for the teaching and maintenance of radio and black/white and colour television at the Kumasi Polytechnic. This was in fulfillment of a technical agreement signed between GDR and the Ghana government under which the GDR government is to help in the provision of equipment for the country's technical institutions. Speaking at the ceremony at which a team of GDR engineers handed over the equipment to the authorities of the polytechnic, Mr Anthony Aidoo, Regional Director of Education, in charge of Ashanti, called on the government to give increasing attention to technical education which he said, can provide the basis for the technical and industrial development of the country. Nana Boakye-Danquah I, principal of Kumasi Polytechnic, expressed appreciation to the PNDC and the GDR governments for making it possible for the school to obtain the necessary equipment needed for the effective and efficient training of the students. The principal urged the GDR government to extend its technical cooperation with Ghana to cover areas such as automobile engineering, agricultural engineering and computer science in the country's technical institutions. [By Kwaku Nehemia] [Text] [Accra PEOPLE'S DAILY GRAPHIC in English 4 Apr 86 p 8] /12851

DELEGATION TO BCP--Ghana takes great inspiration from the achievements and successes of the Bulgarian Revolution, Alhaji Mahama Iddrisu, PNDC member, said in Sofia at the weekend. Alheji Iddrisu, who is leading a 2-man Ghana delegation to the Bulgarian Communist Party (BCP) Congress, also praised the cordial relationship existing between the 2 countries. "Our relations have now reached a level that even promises to surpass the levels of cooperation reached in our first republic," he said. Alhaji Iddrisu said "the commitment of the Bulgarian Communist Party to the principles of proletarian internationalism world peace, disarmament and African national liberation struggles is a source of inspiration to us in Africa." [Text] [Accra GHANAIAN TIMES in English 7 Apr 86 p 1] /12851

NEWS EXCHANGE WITH IRAN--The first step towards the exchange of news between Ghana and Iran on a regular basis was taken in Accra on Tuesday, when an Iranian delegation visited the Ghana News Agency. The 4-man team of journalists in countries outside the orbit of the 2 superpowers to meet often to exchange ideas. He said writers must expose imperialism and colonialism in all their forms to make the people aware of their oppressors. He stressed the unity of mankind and the need for cooperation in spreading the message of liberation to the less developed world. Mr Mogmani said there was, therefore, a great need for the news agencies of Ghana and Iran to exchange information on a more regular basis since both were fighting against inequality and oppression in the world. [Text] [Accra GHANAIAN TIMES in English 10 Apr 86 p 1] /12851

CSO: 3400/1562

LESOTHO

LEKHANYA INTERVIEWED ON GOVERNMENT'S NEW POLITICAL APPROACH

Johannesburg THE STAR in English 24 Mar 86 p 17

[Article by Gerald L'Ange]

[Text]

MASERU — Lesotho's new military government intends to promote a mixture of socialism and capitalism in a non-political society and to maintain a non-aligned stance internationally.

This approach was outlined by the head of the new government, Major-General Metsing Lekhanya, in an interview in Maseru yesterday.

Lesotho's relations with South Africa would be guided by the realisation that its economy was closely linked to the Republic's and that it was important for Lesotho to be at peace with its neighbour, he said.

However, his government naturally wanted to reduce its economic dependence on South Africa.

On the question of whether and when the military would return Lesotho to an elected civilian government, Major General Lekhanya said: "The military took power simply to save the people of this country from the dangers resulting from the lawlessness that characterised the last days of the previous government." It intended to stay on "until true reconciliation has been achieved".

"Our return to the barracks will therefore be determined by the people themselves."

The general was asked whether his government, in tackling Lesotho's basic problems of poverty and limited economic opportunity, would turn to a greater extent than the previous government to socialist practices or whether it would seek solutions in free enterprise and capitalistic approaches.

He said his government intended to tackle Lesotho's economic and other problems "in close partnership with the people themselves."

"We can neither afford the luxury of rampant capitalism nor the idealism of classic socialism. We shall therefore keep to a mixed economy based on the wishes of our people and the economic realities of the day."

The general indicated Lesotho would continue to encourage South African capital investment.

In answer to a question about how his government planned to tackle Lesotho's desperate economic problems, the general said it had inherited "a tattered economy."

"But we are making reconciliation among the people our first priority as a prerequisite for economic recovery in the widest sense."

LIBERATION ARMY

"By suspending party political activities we are giving both ourselves and the people a chance to concentrate on agricultural and other forms of development so more food may be produced within the country and more jobs created in industrial and other sectors."

Explaining the military government's decision to bar political party activity, the general said the country had been "plunged into a state of crisis by the irresponsible and criminal behaviour of party political opportunists and self-seekers prepared to sacrifice the lives of the people to achieve their own selfish ends."

The army had been split into two by "the ruling clique", who wanted to promote a private army for themselves. At the same time the "so-called liberation army" (an apparent reference to the youth league of Chief Jonathan's ruling BNP) was "killing fellow Basotho on the instructions of another clique of party politicians."

The victims of these "party political games" were the people of Lesotho, who must be "given the break they so much deserve".

The government was now preparing legislation to set up a three-tier system of elected committees at village, ward and district level.

These moves, the general said, were aimed at "allowing people to determine their own affairs outside the framework of party politics responsible for the civil strife that preceded the military takeover."

On foreign policy, the general said "the policy of non-alignment will continue to guide our position and our relations with all countries of the world." He said Lesotho would honour all existing treaties.

"However, we reserve the right to re-examine any of these treaties," the general said. Lesotho would continue to depend on foreign aid, he said, but his government would seek aid for permanent structures on which the country could base its own development efforts.

Lesotho would seek aid that would "help us help ourselves."

Without naming them, the general confirmed the re-detention of some of the members of Chief Jonathan's Cabinet who had been detained after the coup and then released.

They are believed to include former Information Minister Mr Desmond Sixishe. General Lekhan-ya said whether any would be tried in court would depend on the outcome of police investigations.

/9317

CSO: 3400/1538

12 May 1986

LESOTHO

LESOTHO COMMENTARY VIEWS U.S. ACTION AGAINST LIBYA

MB161657 Maseru Domestic Service in English 1600 GMT 16 Apr 86

[Station commentary]

[Text] Yesterday the United States raided Libya and Libya's response to this has been threats against European countries, a move which would be an escalation of violence and a relaunching of a chain of confrontation among states, and as things are it has become clear that the confrontation between the United States and Libya would not only affect these two countries but many especially in this world of interdependence.

Reaction by countries of the world on this question is a clear indication of the concern by nations and of the seriousness of repercussions this could have on world peace. Some feel that Libya has deserved this for a long time while others feel that the raid has been an overreaction on the part of the United States.

While both sides might argue their case we feel the repercussions of [words indistinct] is military solution the only solution at this stage, we strongly urge leaders and countries not to do things that we and future generations might live to regret. [sentence as received] What we hope for now is restraint and stability in what seems to be an inherently unstable world because violent action by both countries does not seem to be the answer at this stage.

Many people who are likely to be affected are people who have nothing to do with the conflict between the two leaders most of them students, diplomats, and workers. It is indeed regrettable that at this time, when efforts are being made towards world peace, such an unfortunate event should take place. All we can do is hope that those concerned can heed appeals for moderation as confrontation will only create a very difficult situation.

This is of course not a good reflection of 40 years ago when the Charter of the United Nations was formulated and adopted when everyone agreed to the opening words indicating what was to be the basis and center of the international organization. The words are and I quote: We the peoples of the United Nations are determined to save succeeding generations from the scourge of wars, unquote. Is it not time we thought and looked back at the last 40 years and asked ourselves whether this we have done?

/8918

CSO: 3400/1527

MALAWI

BRIEFS

BRIDGE WASHED AWAY--A bridge over Kawombe river on the Ntchisi boma to Kayoyo road has been washed away for a second time due to heavy rains. The bridge got washed away for the first time only 3 months ago. In January one end of the bridge got washed away and a team of workers from the District Roads Improvement and Maintenance Programme (DRIMP), currently working on the road, carried out repairs on it a few weeks later. [Text] [Blantyre DAILY TIMES in English 8 Apr 86 p 2] /12851

CSO: 3400/1563

MOZAMBIQUE

REGIONS SOUTH OF SAVE RIVER TO BENEFIT FROM WATER PROJECT

Maputo NOTICIAS in Portuguese 21 Mar 86 p 2

[Article by Estacio Baptista: "More Water for South of the Save"]

[Text] A project of major social and economic impact was initiated recently in the districts of Vilanculo, Mabote, Inhassoro, and Govuro, in Inhambane Province, with material support granted by the EEC and UNICEF.

The project will involve those areas that supply water to the rural regions. Information supplied to NOTICIAS indicates that this project will be carried out on the basis of material assistance granted for the construction of surface wells and drilled wells in those regions to the south of the Save.

The support granted by these two international communities to that part of our country impacts basically those rural communities hardest hit by the effects of 4 successive years of the prolonged drought that has devastated these districts.

Zeca Bernardo, district director for the Department of Construction and Water Resources in Vilanculo, says that the project also provides for aid to the populations afflicted by the drought and by the warfare being waged by the RSA through the intermediary of the armed bandits. It is known at the outset that at least four districts--those mentioned above--will receive potable water as a result of the rehabilitation and extension of the existing water supply systems.

A total of 200 new sources of water, and an equal number of reconstructed sources, will benefit from the project.

What Is on Hand for Work To Begin

According to the district director for the Department of Construction and Water Resources in Vilanculo, the sector has so far received, for the purposes of the project, 100 hand pumps; four rigs capable of drilling to a depth of 35 meters; and four complete tripods, also for drilling.

The EEC is also supporting the project, with the delivery of 300 sacks of cement for use in the construction of the wells in question and for other tasks relating to the project.

"We have already begun drilling six holes in Pambara Communal Village and two in the district capital of Vilanculo. We shall shortly begin installation of other pumps in the holes that have already been opened," Zeca Bernardo said.

Part of the supplies and equipment to be provided by UNICEF was already present (in January) in the city of Maxixe, Inhambane, awaiting transportation. Technical experts associated with the project were also expected to arrive in January. The project is divided into two parts: UNICEF will extend its sphere of action to the region encompassing Vilanculo, Mabote, Inhassoro, and Mambone, whereas that of the EEC will encompass only Vilanculo District.

10992

CSO: 3442/181

MOZAMBIQUE

FRENCH COMPANY FINANCES WATER FILTRATION PROGRAM

Maputo NOTICIAS in Portuguese 21 Mar 86 p 2

[Text] HIDROMOC [State Hydraulics Enterprise] expects to place a considerable quantity of domestic antibacteria filters on the domestic market around the middle of this year and is currently preparing to begin installation of the filters, it was disclosed by officials of that state water enterprise.

The installation of antibacteria filters will take place under the terms of a contract signed for this purpose between our state water enterprise and the French company Esser Filters, and is part of the overall effort now under way to ensure a supply of potable water in all areas of the national territory, according to statements made by officials in charge of the program.

One of the clauses in the contract stipulates that the French firm Esser Filters will finance the importation of basic components (vanes and spigots), while the Mozambican side will defray the expenses of the domestic manufacture of other components and their installation. To this end, with financing by Esser Filters, HIDROMOC has already imported the kind of components that cannot be produced locally, for a total value of approximately 20,000 contos.

A technical expert representing Esser Filters was in Maputo last week to make the determinations essential for initiating the installation of these antibacteria filters. The HIDROMOC officials disclosed that despite a slight delay resulting from the fact that part of the domestically manufactured equipment had to be made by a different Mozambican enterprise, the representative of the French firm completed the greater part of the task assigned to him.

These antibacteria filters represent the second consignment to be installed by HIDROMOC. A modest quantity of them were made experimentally in 1982 and were used up immediately. In 1984 a complete shipment of this type of filters was imported; these were also used up without being sold to the public, because of the insignificant quantity in HIDROMOC's possession at that time.

The HIDROMOC officials say that the antibacteria filters are much more necessary in rural areas, where the residents tend to use all their rainwater. The rainwater can be transported directly from the site where it is accumulated to the filter without having to boil it, according to an official of that enterprise. He added that no matter how impure and dirty it is, after this water is passed through the antibacteria filter it can be drunk without any risk to one's health. Such being the case, it is only a question of introducing into our way of life an instrument that is as important as it is necessary, in order to ensure that in town and country alike all of us will have potable water to drink.

10992

CSO: 3442/181

MOZAMBIQUE

ITALIAN AGRICULTURAL EQUIPMENT EXPECTED

Maputo NOTICIAS in Portuguese 21 Mar 86 p 2

[Text] Various types of agricultural equipment and supplies--notably motor pumps, barbed wire, fertilizers, and seeds of various kinds of vegetables--are scheduled to arrive in Maputo on Tuesday and Wednesday of next week and in mid-April. The equipment, fertilizers, and seeds are part of a large Italian donation to be delivered to our government pursuant to the Italian emergency aid program to Mozambique, according to Dr Alfredo Bastianelli, first secretary of the Italian embassy in Maputo.

The agricultural equipment scheduled for arrival next week includes a total of 139 motor pumps and the corresponding accessories, 7,076 rolls (more than 3.5 million meters) of barbed wire, and 25 tons of fencing staples; it will be unloaded from the ship Langensberg upon the latter's arrival on 25 or 26 March.

Meanwhile, another Italian ship bearing another donation is scheduled to arrive during the first half of April with a shipment of 2,900 tons of fertilizers and more than 103 tons of seeds of various vegetables, including tomatoes, garden peas, green beans, peppers, lettuce, carrots, and cabbage.

These two donations--destined basically to stimulate agricultural production within the framework of the Italian sectoral emergency aid programs to Mozambique--represent a total value of approximately \$3.1 million, according to information from the Italian embassy of Maputo.

This equipment represents the second shipment made this year under the terms of the programs agreed to; 400 tons of sardines were received in Maputo last January and February. In addition, a total of 10 pumps for lifting water were received during the first half of the present month, in addition to 120 tons of other products.

Eurico Granara, second secretary of the Italian embassy in Maputo, announced that other donations are scheduled to arrive throughout the current year but did not specify the quantities involved. The first of these donations will, however, consist of a significant quantity of medicines and is scheduled to arrive within the next few months.

Granara disclosed that under the public health provisions of this emergency aid program, a donation consisting of various hospital supplies and equipment

had arrived in Maputo in December 1984 for the services of rehabilitation, gynecology, obstetrics, and laboratory analysis in the hospitals of Beira and Maputo.

In parallel with the cooperation programs governed by the General Agreement on Cooperation and carried out pursuant to the activity programs established within the scope of the joint cooperation commission, Mozambique and Italy signed, in March 1984, a program of emergency aid designed to cope with the pressing problem of satisfying the needs of the Mozambican population in terms of food products and producer goods.

This program of emergency aid encompasses diverse sectors of activity, including notably agriculture, public health, education, and international cooperation. Various hospital and agricultural supplies and equipment have already been received between December 1984 and the present date. The Italian Government has made a total of \$40 million available for this program.

Dr Alfredo Bastianelli disclosed that for the 3-year period 1985-88, the Italian Government has authorized a total expenditure of \$300 million in connection with the programs approved within the scope of the joint cooperation commission.

10992

CSO: 3442/181

MOZAMBIQUE

'SERIOUS' FOOD SHORTAGE HITS ZAMBEZIA PROVINCE

MB201245 Maputo Domestic Service in Portuguese 1700 GMT 19 Apr 86

[Text] About 1 million people are facing a serious food shortage in Zambezia Province, according to the most recent monthly report from the Department for Preventing and Combating Natural Disasters, issued in Maputo.

The document notes that the food situation in this province is more critical and is caused solely by the guerrilla war waged by the armed bandits and not by the effects of natural disasters. The actions of the armed bandits force the people to move constantly in search of security and thus prevents them from producing food or receiving regular assistance.

Due to the gravity of the situation, the Department for Preventing and Combating Natural Disasters is trying to supply Zambezia Province transportation and other support services. The department is also planning to increase Zambezia's food quota and reduce the quotas of other provinces in less difficult situations.

Another province also facing a grave food problem is Manica Province, where 2,100 people are without assistance. According to a report from the Manica cabinet, military operations launched by the Mozambique armed forces in the past few months led to the release of hundreds of people who were forced to live with the armed bandits. The document adds that the Department for Preventing and Combating Natural Disasters is trying to satisfy the emergency needs of those people, specially in food, seeds, clothes, and manual agricultural tools.

In Gorongosa District, Sofala Province, 12,000 homeless people are still without food and other needed articles due to problems in reaching that area. Seven Scania trucks, provided by the Swedish International Development Agency, are expected to arrive shortly in the province to distribute emergency supplies.

In Inhambane Province, military operations have created relative stability but have also caused an increase in the influx of people to Homoine, Morrumbene, and Massinga districts. People who were previously living with the armed bandits have rushed to the cities and villages and need assistance, according to the document.

Gaza Province is the least affected by the guerrilla activity and that province is getting regular rain, with the exception of an area north of Limpopo River which remains dry. The document says that the Department for Preventing and Combating Natural Disasters has the situation under control but there are still some problems.

MOZAMBIQUE

CHIBUTO DISTRICT OVERFULFILLS CASHEW GOAL

Maputo NOTICIAS in Portuguese 21 Mar 86 p 3

[Text] The goal previously established for the marketing of cashew nuts in Chibuto District, Gaza Province, was fulfilled by approximately 300 percent for the current season, thanks to combined action by the workers of the Momade Aly District Warehouse and the secretaries of the local governments of that district, and also in coordination with other merchants of those areas where the cashew harvest was most abundant.

Specifically, a total of 1,200 tons had already been marketed by late February, or roughly three times the goal of 450 tons established in the plan.

Momade Aly, proprietor of the warehouse of the same name, who made these statements to our reporter, declared that if it had not been for the delay in sending the products destined for barter, the current harvest would have come close to setting a record.

He also cited the fact that there had been a preoccupation with having objects of adornment such as earrings, wristwatches, and the like sent in addition to capulana fabrics, kerchiefs, underwear, and yard goods.

Momade Aly said, however, that if the cashew harvest is to be further increased the peanut shortage must be alleviated, inasmuch as the local populations have been obliged to use cashews to flavor their food. The same situation exists with respect to edible oil, for if its supply were assured the marketing of this strategic export commodity would enter a new phase, based on the experience of previous marketing campaigns.

This merchant confided to us that a lack of sensitivity continues to exist in certain enterprises involved in the marketing process that do not realize how vitally important the marketing of cashew nuts is for our country. He based his assertion on the delay that occurred in the delivery of certain barter products such as illuminating oil, which took 6 months to reach Momade Aly's establishment. Occurrences of this sort are very prejudicial to the marketing process, he said.

"If the farmer is to have an incentive to harvest the nuts," Momade Aly said, "the products for barter must meet the farmer's basic needs. To this end, these products must also be on display at the appointed time."

Among the products that have very frequently been utilized in these marketing operations are soap, petroleum, edible oil, peanuts, yard goods, kerchiefs, sugar, and rice. Meanwhile, sandals from Italy were introduced during the current campaign, on an experimental basis; they have won wide acceptance among the farmers.

One aspect that should receive attention is the need for fuel to be supplied in advance to the warehouse proprietors and merchants who are involved in getting the cashew nuts to market.

Still another aspect that should be stressed is the experiment--begun during the current campaign--whereby merchants from the district capital are sent to areas where the cashew abounds such as Chimbimbanine, Meboy, Chipadja, and other areas regarded as strategic. So far this year more than 200 tons of cashews have been marketed, compared to approximately 20 to 40 tons during the same period of last year.

Momade Aly went on to say that the Chibuto District Warehouse will contribute 1 ton of selected cashew nuts for planting in Guija District, where an intensive mobilization effort is already in progress with the aim of ensuring that each family will plant a minimum of four cashew trees in its village and 25 on its farm plot. This will make it possible in the medium term to extend the marketing campaign to Guija District.

10992

CSO: 3442/181

MOZAMBIQUE

BRIEFS

FRENCH DONATION FOR CHILDREN--A donation consisting of various articles of food and blankets was delivered day before yesterday afternoon to the children of the B-A-BA Children's Center in Maputo. The donation--made by the French Association for Solidarity With the Peoples (Popular Relief)--was presented by the party secretary of the City Committee for Mobilization, Jose Fanequisso. Sergio Meneses, who is working in France with the Nongovernmental Organizations, was also in attendance at the presentation ceremony. According to information obtained at the center by our representative, this donation is one of a series of donations coming from this French nongovernmental organization to the residents of Maputo. It includes sewing machines, articles of clothing, soap, toys, and other items. The photograph [Photo not reproduced] shows the articles being presented to the children of the B-A-BA Center. [Text] [Maputo NOTICIAS in Portuguese 20 Mar 86 p 3] 10992

BULGARIAN DONATION--The Government of Bulgaria, through the intermediary of the Committee for Friendship and Solidarity With the Peoples of Asia and Africa [AMASP], has donated clothing, school supplies, and medicines for the residents of Gorongosa, Sofala Province. The donation was presented last Wednesday by the Bulgarian ambassador accredited to our country, Andrei Takanhartzov, and was accepted by the general secretary of AMASP, Abner Sansao Muthemba, at the headquarters of that organization. [Text] [Maputo NOTICIAS in Portuguese 21 Mar 86 p 3] 10992

USA FOR AFRICA DONATION--The U.S. organization "USA for Africa" on Wednesday delivered 21 trucks and \$500 worth of fuel in support of the emergency programs in the areas afflicted by the natural disasters in Mozambique. These trucks are part of a total of 26--valued at \$2 million (80 million meticals)--donated by that organization last year. The vehicles were acquired in Zimbabwe. The official presentation was made in Chicualacuala District, on the Mozambique-Zimbabwe border, by Terry Jeggle, director of Care-Mozambique, in behalf of "USA for Africa," and was accepted by the director of the Department for the Prevention and Control of Natural Disasters in Mozambique (DPCCN), Amos Mahanjane. According to the DPCCN, the institution in charge of distributing the trucks, these trucks will be distributed on a priority basis to the provinces that have been hardest hit. The other five vehicles have already been delivered to the provinces of Manica e Tete, Centro, and Norte do Pais. Jeggle took the occasion to announce that "USA for Africa"--the promoter of the song "We Are the World"--will also give \$1 million this year for the purchase of

10 tractors with hitches, two forklifts, vehicles, radiocommunications equipment, and construction equipment for agricultural rehabilitation in those areas where the populations live that have been displaced from the regions afflicted by the natural disasters and by the activity of the armed bandits. This donation is the result of a trip made early this year to the United States by the director of the DPCCN. While in that country Amos Mahanjane met with various U.S. humanitarian organizations and told them of the situation caused by the prolonged drought and armed banditry in Mozambique. "Many organizations want to help Mozambique, but because of the serious lack of information in the United States concerning Mozambique this aid has not been possible," Mahanjane said at the presentation ceremony. He expressed the thanks of the Mozambican Government for the aid, emphasizing that it will impart a new tempo to the emergency programs. For his part, Terry Jeggle said that "the experience gained from our coordinated effort--the effort of ourselves and the Mozambican Government--shows that it is possible to achieve excellent results." Mozambique has been devastated during the past 3 years by a prolonged drought whose effects are still being felt in several areas. A report published recently by the Ministry of Home Trade reveals that Mozambique will need--during the first 4 months of 1986 --approximately 91,000 tons of cereal grains for the populations afflicted by the drought and by the action of the armed bandits. (AIM) [Text] [Maputo NOTICIAS in Portuguese 21 Mar 86 p 3] 10992

CSO: 3442/181

NAMIBIA

SPARKS CONTINUE TO FLY OVER THIRION REPORT

Windhoek THE WINDHOEK ADVERTISER in English 11 Mar 86 pp 1, 4

[Article by Brian Jones]

[Text] Sparks continue to fly around the Thirion Report with controversial businessman Eric Lang calling on the government not to allow CDM to fudge the issue, and Tsumeb Corporation slating the Grote report on which parts of Thirion are based.

In his initial reaction to the Thirion Commission's report on its inquiry into state control of the mining industry, Mr Lang said the Government "should not allow the issue to be fudged by CDM, but should take firm action on Thirion recommendations".

He was referring to CDM'S response to the report in which it said it rejected the commission's findings relating to the conduct of the company's affairs.

CDM also said it was confident it could "satisfy any impartial inquiry by appropriately qualified investigators" that it had not rendered unpayable any known diamond bearing ore reserves which would have been capable of being mined at a profit.

Mr Lang said the CDM reaction was "to be expected and should be treated with the contempt it deserves. The days of colonial mining are over."

For several years, until the commission's investigation into control of mining,

Mr Lang waged a lone war in an attempt to make the authorities aware of the millions of Rand being lost to the country as a result of overmining and other practices.

Many of his allegations were confirmed by Thirion.

He said Namibians should ask themselves what the De Beers Company, which controls CDM, had reinvested in the country "after a mining production of more than R16 billion and dividends of R5 billion".

"The time has come for them to make a contribution to the economic development of Namibia," he said.

In its response to the Thirion Report, TCL said it was happy that none of the alleged irregularities in the mining industry exposed by the report applied to the company.

A statement by general manager Bob Meiring said: "With regard to the corporation's tax liability, it must be pointed out that the corporation emerged from one

of the deepest recessions in base metal prices.

"The survival of the corporation rather than the lack of taxable profits should have been commented on."

TCL said the supporting report to Thirion, drawn up by investigator, Mr Martin Grote, contained "faulty assumptions and subjective recommendations".

TCL was never informed of the nature of the investigation and was not consulted or given the opportunity to clarify inconsistencies.

Mr Meiring said the Grote report, as applicable to TCL, should be reviewed by a panel of independent, objective experts, before the state drew meaningful conclusions.

TCL would offer its full assistance.

In his report, Mr Justice Thirion pointed out that TCL, the Territory's third largest mineral producer, had not paid tax since 1979, despite mineral sales of more than R128,3 million in 1980.

TCL had been able to

write off its tax liability against investment in two other mines in SWA.

Mr Justice Thirion recommended in his report that some sort of limitation should be put on the type of capital goods or projects which qualified for a tax deduction after finding that some of Namibia's major mines did not make a worthwhile contribution to state coffers.

Regarding transfer pricing, Mr Justice Thirion found there was evidence that this was occurring in Namibia and quoted figures from TCL and other mines, showing they had sold their products at prices that were not market-related or were below ruling world prices.

Evidence showed that prices obtained for TCL for zinc from 1980 to 1982 were sometimes 100% lower than the ruling prices on the London Metal Exchange.

The commission also found considerable variations in the prices obtained by TCL for its blister copper, lead, gold and silver.

/ 13104

CSO: 3400/1551

NAMIBIA

HIGH UNEMPLOYMENT, 'MASSIVE' LIVING COSTS INCREASES REPORTED

Windhoek THE WINDHOEK ADVERTISER in English 3 Apr 86 pp 1, 3

[Article by Jean Sutherland]

[Text] Massive unemployment and a shockingly high minimal survival cost has thrown a harsh spotlight on the largely hidden other face of the Namibian economy.

The plight of those barely managing to hang on to survival has been pertinently underlined by current statistics.

A survey by The Advertiser yesterday revealed that a stark survival diet alone would cost a family of five, two adults and three children, close to R100 a month.

The no-frills shopping basket survey on the barest food requirements for a family of five came to R95,28c a month.

This was just for mealie meal, meat bones, brown bread, margarine, dried peas, jam, coffee, sugar, dried skimmed milk and tinned fish.

A number of housewives approached yesterday said the amount spent by an average middle class family of five on food a month was easily in the region of R400.

An up-to-date survey by the National Building and Investment Corporation (Nasboukor) puts the Primary Household Sub-

sistence Level (HSL) for the average black and coloured household of six at R390 a month.

This includes basic food-stuffs, clothing, washing, light and electricity, but excludes items like medical costs and rent.

And, according to Nasboukor projections, indications were that as many as 70% of people in Katutura live below the breadline.

Nasboukor is a parastatal corporation involved with the provision of sub-economic housing in Namibia.

"How these people somehow survive, I don't know," an expert told The Advertiser today.

"That they do is just incredible."

Unemployment in some areas in Namibia could be as high as 55%, according to a survey conducted by the corporation in December last year and January and February this year.

Conservative estimates for unemployment among

all race groups have usually been put around 30%.

The survey, carried out in Tsunieb, Keetmanshoop and Lüderitz's townships, found an unemployment rate of between 37% and 55% among able-bodied men and women.

"Although some people choose to stay at home, we didn't expect to find such a high percentage of people out of work under these very difficult economic circumstances," a Nasboukor spokesman said today.

"It appears to be mainly due to a lack of job opportunities."

As a result fewer people have to earn to provide for a greater number, thus increasing the hardship, as well as carrying the tax burden for a swollen government sector, economists pointed out.

Reliable sources feel the unemployment revealed in these areas could indicate a nationwide trend.

Nasboukor based its current projections on increases in the Consumer Price Index and previous PHSL statistics.

/13104
CSO: 3400/1551

SWAZILAND

BRIEFS

FACTORY PREMISES NEEDED--Mbabane--Swaziland urgently needs factory shells to accommodate potential foreign investors, according to the Minister of Commerce, Industry and Tourism, Mr Derek von Wissell. The Minister, speaking to senators in Parliament, said 28 large concerns, some from South Africa and others from outside Africa, wanted to set up industries but were having trouble finding premises for their operations. [Text] [Johannesburg THE STAR in English 25 Mar 86 p 25] /9317

CSO: 3400/1538

12 May 1986

ZAMBIA

KAUNDA SUPPORTS AUCTION, MOVES TO REDUCE ABUSES, COSTS

Forms Economic Advisory Council

Lusaka TIMES OF ZAMBIA in English 5 Apr 86 pp 1, 5

[Text] The much-criticised foreign exchange auctioning system will continue but its weaknesses will be thoroughly reviewed, President Kaunda said yesterday.

He further announced the formation of a Presidential Economic Advisory Council comprising knowledgeable people to advise him and a separate Economic Advisory Committee to offer professional advice to the minister of Finance and Planning.

The President voiced grave concern at the continued importation of luxury goods and directed that the tariff commission which would check against this trend should become operational by next week.

Commercial banks, the business community and the newly appointed economic management team should critically examine the auction system and how it was being abused and find remedies to seal the loopholes.

Although he had studied the problem, he was reluctant to act now to give a chance to all parties involved to make suggestions in line with participatory democracy.

Commenting on the anxieties arising from the auctioning which was introduced last October, Dr Kaunda stated: "Auctioning will continue, we are not going to change. It's a good system although it's being abused."

He denounced selfish businessmen who were manipulating the system, resulting in the value of the Kwacha nose-diving at a frightening pace.

He wondered how any businessman with a conscience could import tinned beer, sausages and fruit which Zambia had in abundance.

"If you want a place in Zambia, have a conscience and do the right thing," the President warned unscrupulous traders.

He asked all those involved in making an urgent appraisal of the auction system to submit comprehensive reports by this monthend so the Central Committee and Cabinet could discuss the issue during their meeting next month.

On the appointment of the presidential advisory council and the economic advisory committee, which reflect a new and serious approach to economic matters, the President said members would be expected to advise him and Finance

and Planning minister on part-time basis.

Zambia would continue to be a mixed economy for a long time to come, but this should not be interpreted to

mean that greedy businessmen could exploit the people.

Zambians could not be expected to endure so much suffering just because some businessmen were too greedy.

Unless profiteering traders changed their attitude, he would fight them. "Please don't provoke us to do things we don't want to do," he warned.

It was not his wish to denigrate anybody in society, but he was appalled at the selfishness of some businessmen who had ignored warnings to act wisely and help the economy to recover.

He thanked various institutions and donor countries for propping up the auction system, but stressed that the onus of improving the economy lay squarely on the shoulders of every Zambian.

It was impossible for the economy to tick if Zambians failed to apply themselves seriously in their respective tasks.

The President announced that two foreign missions would be closed as a cost-saving measure.

He declined to name them until a special envoy

had explained to the respective governments why the decision had been taken.

All civil servants above the age 55 are to be retired for the same reasons except those on contract.

Redundancies were effected as a last resort because he was aware of the immense difficulties the jobless were facing. Efforts would be made to assist in the resettlement of those being declared redundant.

The pruning of foreign missions and the laying off of some workers in other sectors were among the measures aimed at expediting economic recovery.

He admitted that running diplomatic missions was costly. It had become necessary to cut expenditure because it was unwise for any government to run on deficits.

The President emphasised the need to rehabilitate the mining industry to fuel economic recovery.

On calls for a reduction in fuel prices following a price cut by producers, Dr Kaunda said Zambia could not immediately benefit because the current oil stocks were bought before the reduction on the world market.

Mission Closures Announced

Lusaka ZAMBIA DAILY MAIL in English 5 Apr 86 p 1

[Text]

PRESIDENT Kaunda yesterday banned the importation of luxury goods and demanded suggestions from businessmen to stabilise the Kwacha.

Dr Kaunda warned that he would deal ruthlessly with businessmen manipulating the foreign exchange auctioning system further weakening the Kwacha.

He also announced the formation of a Presidential Economic Advisory Committee to advise him on economic matters.

As the auction system was there to stay, the business community should by the end of this month submit a report to State House on how the Kwacha could be stabilised or "I will fight you."

While the system was working, the Party and its government would not allow selfish businessmen with evil minds to abuse

it and make the people of Zambia suffer.

"You are helping to devalue the Kwacha. Do not provoke us and do not force us to do things we do not want to do. I am asking businessmen to meet to see whether they can control this problem," he said.

He questioned how the government could allow people to continue importing tinned beer, sausages and fruits, some of which were available in the country.

The auctioning system was a good system but Zambians had to apply themselves seriously to the economic situation if the economy now in the doldrums was to pick up.

Dr Kaunda paid tribute to countries which have assisted Zambia fund the auction and given aid in various fields but warned that these countries could

not continue helping the nation indefinitely.

President Kaunda also announced the closing down of two missions abroad in a continued effort to lessen public expenditure.

While the system of auctioning the dollar had brought problems in the country, it had greatly curbed rampant corruption in the Ministry of Commerce and Industry and the Bank of Zambia.

The system had also put a stop to the mushrooming of briefcase companies."

Dr Kaunda also directed ZIMCO to carry out an experiment in two firms on self-management by workers under the guidance of the new Minister of Labour and Social Services Mr Unia Mwila.

/13104
CSO: 3400/1547

ZAMBIA

REPORTAGE ON COST OF LIVING, CONSUMER PRICES

Cost of Living Up

Lusaka PRICEWATCH in English 9 Apr 86 pp 1, 7

[Article by Polliet Chikole]

[Text]

THE PIC started monitoring Price developments of essential consumer commodities in August, 1984. This article depicts how retail prices in Lusaka have changed in relative terms from the time the Commission started these surveys in August 1984 up to 8th October, 1985 on one hand and up to 17th March, 1986 on the other.

The price changes as recorded on 8th October, 1985 register price development during the 14 months before the auctioning of foreign exchange, while the changes using 17-03-86 as the reference point incorporate the effects of the auctioning of foreign exchange. In the entailing comparison of price changes, 22 commodities are included, that is, the commodities normally included in Price information Bulletins. The price changes are calculated on the basis of average retail prices obtained for each co-

mmodity on the basis of average retail prices obtained for each commodity at different points in time.

The average price is calculated by adding up prices charged by each retail outlet carrying the commodity in question and dividing that total by the number of outlets carrying the commodity.

Average prices rather than lowest prices are used here because it is a reasonable approximation of the practical options open to most consumers. This argument is re-enforced by the fact that it may not be a feasible option for most consumers to buy each and every commodity from the cheapest source.

Reasons for this are that for the consumer to buy every item at the lowest price would necessitate considerable travelling and extra time used at a cost which may exceed the benefits from buying every item at the lowest price source.

A glance at the tables below will no doubt help you understand the essence of the subject at hand.

The second column in table 1 shows how much the prices of the monitored commodities have gone up from the inception of the Commission's Price Surveys up to 8/10/85.

This is the period prior to the auctioning of foreign exchange. The third column shows the development in Prices in 19 months from 8/8/84 when the Commission started its survey to 17/3/86.

The fourth column shows price developments in the five months that foreign exchange has been on the auction floor. This column gives us adequate indications as how prices have adjusted in the auctioning period.

To get an impression of how these price changes have affected the low income group's cost of living, the commodity weights, used by the Central Statistical Office to compute the consumer price Index (CPI), are made use of.

It should be noted that these weights were established by conducting a household budget survey in 1975/76, and that due to the long time which has since elapsed these weights may not reflect the present actual consumption pattern of the low income group.

However in the absence of any more reliable expenditure norms and because the CPI is frequently used in Public discussion about price development and inflation the 1975/76 weights have been used.

Table 1. PRICE CHANGES —
AVERAGE PRICES TABLE

ITEM	8/8/84-8/10/85	8/8/84-17/3/86	8/10/85-17/3/86
Fresh Kapenta 1Kg	39%	113%	53%
Cooking Oil 2.5ltr	88%	101%	7%
Rape 1Kg	74%	85%	7%
Bread 800g	70%	243%	102%
Brisket 1 Kg	50%	90%	26%
Roller meal 25Kg	42%	44%	2%
Tea (Tanganda 100g)	49%	71%	15%
Charcoal 1 bag	39%	116%	55%
Detergents	37%	99%	45%
Matches 1 box	33%	166%	2%
Chicken 1kg	31%	28%	-2%
Eggs 1 unit	30%	65%	27%
Mixed cuts 1kg	28%	72%	34%
Sugar 2kg	21%	76%	45%
Onions 1kg	18%	186%	143%
Fresh Milk 500ml	11%	57%	42%
Fine Salt 1Kg	1%	8%	7%
Dried Beans	-1%	61%	62%
Dried Kapenta	-3%	90%	97%
Tomatoes	-12%	109%	137%
Candles	421% /	239%	-35%

Using the recorded price changes of the commodities listed above, (except for, Bathing Soap, Breakfast meal and candles) with their appropriate weights the cost of living increases for low income group have been as follows:

COST OF LIVING INCREASES — TABLE II.

Cost of Living	8/8/84 — 8/10/85	8/8/84 — 17/3/86	8/10/85 — 17/3/86
Increase	22.1%	53%	25%

It should be noted that this is only a partial indication of the cost of living increase over the periods considered. It indicates the increase in the cost of living for the low income group resulting from the price changes of the commodities monitored.

The Commodities included in the above calculations account for approximately 56% of the low income group's budget.

Keeping this qualification in mind it can be noted from table 2 that as a result of recorded price changes the cost of living increased by 22.1% for the first 14 months, 53% for the whole period and about 25% increase for the five months

period after the delinking of the kwacha.

The monthly cost of living increase due to the recorded price changes between 8/8/84-8/10/85 was recorded as 1.4%. The rate at which the monthly cost of living has been increasing after the Auctioning of foreign exchange as indicated by price changes between 8/10/85 to 17/3/86 has been recorded as 4.6%.

This is however lower than the monthly rate of 8.1% which was established two months after the introduction of auctioning this decline in the computed monthly rate is an indication of prices tending to stability.

Price Irregularities Noted

Lusaka PRICEWATCH in English 9 Apr 86 pp 7, 8

[Text]

The Prices and Incomes Commission conducted a Price Survey covering both rural and urban areas from February 17th to March 4th 1986. Retail outlets in 19 districts selected from the 9 provinces were visited.

In all, 294 outlets were visited and out of this total 164 outlets were situated in urban areas, 77 outlets in semi-urban areas and 53 outlets in rural areas.

The basket of goods surveyed represent the commodities most essential in the everyday life of a Zambian Household.

According to the Central Statistical Office C.S.O's 1975/76 Household Budget Survey the 68 commodities included in the Commission's Survey account for approximately 60% of the low income group's cost of living.

The Commission normally carries out this type of survey at quarterly intervals. The main objective of the survey is to find out whether there exist any marked price differences for these commodities based on location and/or on basis of the type of outlet.

The locational price analysis can be done at various levels of aggregation i.e. average provincial price for a given commodity compared to the average national price of the same commodity, or the district average price compared to either the provincial average or the national average price to mention a few of the possible constellations.

The survey as well indicates existing irregularities that concern the supply conditions throughout the country.

While it will take some time before the information has been fully analyzed and accounted for in the final report, some preliminary results will be submitted below.

AVAILABILITY

The 68 commodities monitored can conveniently be distributed into 25 commodity groups.

If the 294 outlets visited are classified on basis of whether they are located in urban, semi-urban or rural areas, one can trace a very different incidence of commodity availability pattern for the various location types.

The table below summarizes the availability ranking of the three location types, i.e. shows how often each location type takes place 1, place 2 or place 3 in terms of availability of each individual commodity group.

From the table it is

clear that urban areas are in relative terms much better off than both semi-urban and rural areas, when it comes to availability of goods.

Similarly, semi-urban areas are considerably better supplied than rural areas.

TABLE 1

	RANKING		
	1ST	2ND	3RD
URBAN	20	4	1
SEMI-URBAN	5	11	9
RURAL	0	10	15
TOTAL	25	25	25

PRICE DIFFERENCES — 5 COMMODITIES

Reporting on all commodities clearly takes us beyond the scope of this short article. However, the 5 commodities which weigh most heavily in the low income group's budget, will be considered.

These commodities are mealie meal, chicken, bread, dried kapenta and cooking oil. The price comparison is carried out on a provincial basis and refers to the average provincial price for each commodity.

TABLE 2

NATIONAL AND PROVINCIAL PRICE AVERAGES

LOCATION	ROLLER MEAL 25KG	B/FAST MEAL 25KG	CHICKEN 1KG	COOKING OIL 750ML	COOKING OIL 2.5L	BREAD 800G	DRIED KAPENTA 1KG
NATIONAL	16.84	20.82	8.88	5.60	16.84	2.01	17.33
CENTRAL	15.35	21.08	N/A	4.81	N/A	N/A	11.67

LOCATION	Roller Meal 25kg	B/fast Meal 25kg	Chicken 1kg	Cooking Oil 750ml	Cooking Oil 2.6l	Bread 800g	Dried Kapenta 1kg
C/BELT	14.85	19.18	9.00	6.78	17.45	1.97	26.68
EASTERN	14.85	19.15	N/A	5.15	N/A	2.32	13.75
LUAPULA	24.00	26.50	N/A	N/A	N/A	N/A	13.33
LUSAKA	14.85	19.45	N/A	5.34	13.50	1.91	16.67
NORTHERN	14.85	N/A	N/A	N/A	20.00	N/A	12.00
N/WESTERN	16.87	23.17	N/A	N/A	N/A	N/A	25.00
SOUTHERN	17.17	20.33	8.83	5.64	N/A	2.15	15.13
WESTERN	16.48	N/A	N/A	5.32	16.00	N/A	N/A
% DIFFERENCE BETWEEN THE HIGHEST AND THE LOWEST	62%	38%	2%	41%	48%	21%	129%

N.A.: - Not available in the enumerated shops

TABLE 3

RELATIVE PRICES (National Average = 100)

LOCATION	ROLLER MEAL 25KG	B/FAST MEAL 25KG	CHICKEN 1KG	COOKING OIL 750ML	COOKING OIL 2.5L	BREAD 800G	DRIED KAPENTA 1KG
NATIONAL	100	100	100	100	100	100	100
CENTRAL	91	101	N/A	86	N/A	N/A	67
C/BELT	88	92	101	121	104	98	155
EASTERN	88	92	N/A	110	N/A	115	79
LUAPULA	143	127	N/A	N/A	N/A	N/A	77
LUSAKA	88	94	N/A	95	80	95	96
NORTHERN	88	N/A	N/A	N/A	119	N/A	69
N/WESTERN	100	111	N/A	N/A	N/A	N/A	144
SOUTHERN	102	98	99	101	N/A	107	87
WESTERN	98	N/A	N/A	95	95	N/A	N/A

The average prices in Lusaka tend — according to Table 3 — to be lower than the corresponding national average prices. A comparison with the situation in

November, 1965 shows a significant nationwide decrease of the availability of chicken in the enumerated shops.

The average provincial prices or dried ka-

penta show considerable variations over the country.

The highest recorded prices, as opposed to average prices, were otherwise as follows:

ITEM		PRICE	LOCATION
Roller Meal	25kg	K24.00	Luapula Province
Breakfast Meal	25kg	K26.50	Luapula & Copperbelt Province
Cooking Oil	2.5lt	K20.00	Northern Province
Chicken	1kg	K10.00	Southern Province
Bread	800g	K2.60	Copperbelt Province
Dried Kapenta	1kg	K30.00	Copperbelt and Southern Province.

Officials Set District Prices

Lusaka TIMES OF ZAMBIA in English 11 Mar 86 p 7

[Text] Districts have a right to control prices in their areas in line with the policy of decentralisation, Northern Province political secretary Mr Wilson Chakulya said yesterday.

Mr Chakulya said this in Kasama in an interview when he supported Isoka governor Mr David Kapaya who has ordered all businessmen in his district, including Nakonde and neighbouring areas to charge prices set out by the council.

The council sent a circular to traders about two weeks ago in which it accused them of exploiting consumers through over-charging. The council warned of stern action against those flouting its set prices on essential items.

Asked whether the council was in order because of the decontrol introduced by the Government, Mr Chakulya said the Isoka council move was right.

"Decentralisation means basically the transfer of power to the people and what the governor has done in Isoka is in line with this policy.

"The prices issue is a local problem as far as the people in Isoka are concerned which requires a solution from the local leadership."

Mr Chakulya said Mr Kapaya had not broken any law. The people were complaining to him about

being exploited by traders. They did not complain to the minister responsible for prices or to the provincial Member of the Central Committee.

"They complained to the governor because they could not understand how, for example marketeers selling beans in a small container at K1, suddenly changed to K5 or K10 for the same quantity.

"This is the kind of problem the governor should not report to higher authorities. He has to deal with it on the spot. So Mr Kapaya is in order to have controlled prices in his district."

Isoka West Member of Parliament Mr Blackson Sikanyika complained to the Speaker of the National Assembly Dr Robinson Nabulyato last week about the decision by the council to control prices when Government had decontrolled them.

But the Speaker did not make a ruling because he had an interjection from Prime Minister Musokotwane that Mr Sikanyika had already written to his office through the Ministry of Commerce and Industry on the issue.

ZAMBIA

PAPERS REPORT ON EXTERNAL DEBT RETIREMENT STRATEGIES

Paris Club Agrees to Rescheduling

Lusaka ZAMBIA DAILY MAIL in English 13 Mar 86 p 1

[Text]

THE PARIS Club has agreed to reschedule repayment of Zambia's 500 million US dollars debt for 10 years with a five-year grace period.

The agreement was reached at a meeting held in Paris early this month between the Zambian government and members of the Club to examine the request for alleviating of the country's external debt service obligation.

The Club was satisfied with the economic recovery measures undertaken by the Zambia.

The country has launched an economic and financial programme supported by the stand-by loan from the International Monetary Fund (IMF) approved by the Fund's executive board last month.

According to a statement released in Lusaka, the Club thought it relevant to contribute to the improvement of Zambia's external repayments prospects to facilitate the recovery of the economy by agreeing to reschedule the debt repayments.

The meeting was attended by representatives of the governments of Australia, Belgium, Canada,

France, West Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, United States and Britain.

Minister of Finance and Development Planning, Mr Luke Mwananshiku headed the Zambian delegation at the meeting. He returned home on Sunday.

Last month IMF allocated the country 345 million dollars to offset losses in export earnings caused by continuing low prices of copper, which provide 80 per cent of the country's foreign exchange revenue.

The allocation comprised 265 million dollars of Special Drawing Rights (SDR) as stand-by credit for 24 months, plus 79 million dollars as compensatory financing, a mechanism used by the IMF to help exporters of primary commodities who are facing problems outside their control.

Mr Mwananshiku who was with the Bank of Zambia governor Mr David Phiri at the meeting expressed the country's gratitude to the Club for the assistance it has given the country to achieve a sound economic and financial situation.

Short Term Repayment Plan

Lusaka TIMES OF ZAMBIA in English 19 Mar 86 p 1

[Excerpt]

THE Bank of Zambia and its advisers have worked out a formula to expedite the repayment of Zambia's short-term external debt arrears which were worrying most creditors.

Central bank governor Mr David Phiri announced in Lusaka yesterday that the bank and its advisers — Morgan Grenfell and Company and Peat Marwick Mitchell and Company — had made "substantial progress".

The first element of the work which entailed the creation of a computerised data base was almost complete. The next step would be reconfirmation of claims after which creditors would be contacted directly.

"The bank and its advisers are now completing their work of designing the

terms to be offered to creditors and the offer documents would be despatched as soon as possible," Mr Phiri said.

An essential feature of the proposed arrangements was expected to be a promissory note issue denominated in United States dollars and incorporating the principle of "first in first out."

"The chronological maturity of these notes, based on the order that the debts entered the pipeline, is intended to ensure that payments are made on a basis that is as far as possible to creditors, given Zambia's economic circumstances."

The promissory notes would be issued early next year if the reconfirmation of claims was completed on time and creditors accepted the terms to be offered.

In addition, the bank would propose special provisions for small claims and personal remittances in the pipeline which might require "sympathetic treatment".

Full payment of confirmed personal remittances is planned in foreign currency on a "first in first out" basis with foreign exchange being allocated quarterly starting next year. It was

hoped all such creditors would have been paid by the end of 1989.

For other pipeline obligations repayments would begin next year. The Bank of Zambia would issue a promissory note for each item of debt, except for "small claims and very large claims" which might have to be split.

"Each note will be issued with a single maturity date for payment of principal in full. The maturity date will depend on the date the debt entered the pipeline in relation to other debts in the pipeline. Based on this chronological order, the allocation of foreign exchange will determine the maturity date to be set.

"The precise allocation of foreign exchange will be given in the offer documents, but it is expected that the maturity dates would be spread over a nine-year period beginning in 1988.

"To reflect projections for Zambia's balance of payments, it is likely that there will be smaller allocations of foreign exchange in the first two years, with increased allocations thereafter."

Foreign exchange would be allocated next year to settle in full a large number of

small claims to ease the administrative burden on the central bank. The cut-off level for smaller claims would be announced in the offer document.

The proposed terms had been discussed with a number of leading creditors and their reaction had been sympathetic. The bank hoped smaller creditors would also support the measures.

Mr Phiri said the proposals were part of Zambia's comprehensive strategy to strengthen and diversify the economy.

/13104

CSO: 3400/1549

ZAMBIA

COMMERCE MINISTER OUTLINES INCENTIVES FOR FOREIGN INVESTORS

Lusaka TIMES OF ZAMBIA in English 12 Mar 86 p 1

[Text]

GENUINE foreign investors would be accorded "red-carpet treatment" and offered attractive incentives under the revised investment regulations to woo more capital to stimulate economic growth.

Minister of Commerce and Industry **Mr Leonard Subulwa** gave this assurance in Parliament yesterday when he explained the advantages of the new Investment Bill during its second reading.

He said the existing investment legislation contained in the Zambia Industrial Development Act of 1977 was "cumbersome" and imposed certain controls "which have the potential to strangle honest business".

Under the proposed legislation, investors would no longer be subjected to the cumbersome procedures and stringent controls which had tended to discourage prospective investors.

The main defect of the present Act was that it had restricted itself to the manufacturing sector, neglecting agriculture, tourism and

service sectors which lacked properly codified incentives.

Instead of dealing with numerous ministries and Government departments to obtain clearances, an investor under the new arrangements would only need to lodge an application to the investment coordinating committee which would do the rest of the work.

The pricing mechanism for products produced by such investors would be based on the cost of production and market forces of supply and demand.

An enterprise would also qualify for incentives when it meets the following criteria:

Exports non-traditional products or services whose exports result in foreign exchange earnings of at least 25 per cent of total gross earnings for that year;

- Uses high proportion of local raw materials and resources amounting to more than 70 per cent of total annual operating costs;
- Has more than 85 per cent of its labour force

working facilities in rural areas.

- If it is a small scale or village enterprise registered under the provisions of the Small Scale Industries Act of 1981 or satisfies other criteria which may be prescribed later.

Explaining what had necessitated the Bill, Mr Subulwa said: "In our present adverse economic situation, we can hardly maintain our own industrial installed capacities to operate at acceptable levels, let alone invest in new ventures."

"This, and the heavy debt we have contracted over the years leave us no alternative but to seek financial assistance elsewhere."

Contributing to debate on the Bill, **Mr Lazarous Cheelo** (Chikankata) said professionals must be appointed to run the investment coordinating committee.

Mr Mark Tambatamba (Kasempa) accused the government of setting up too many organs and likened the proposed body to the Tender Board.

Member for Kanyama **Mr Alfayo Hambayi** hoped the council and committee would not be bogged down in bureaucratic procedures which might discourage investors "who have no muscle to push around powerful politicians and civil servants".

Mr Palakasa Chiwaya (Chililabombwe) said corruption and crime must be nipped in the bud to attract investors. Nobody would feel safe to invest in Zambia as long as the crime rate continued to rise.

/13104

CSC: 3400/1547

ZAMBIA

MOTION BY BACK BENCHERS TO STOP LICENSING FOREIGN MINERS

Lusaka TIMES OF ZAMBIA in English 20 Mar 86 p 1

[Text] Back-benchers yesterday urged the Government to stop issuing licenses to non-Zambians for prospecting, mining and marketing of precious and semi-precious stones.

They pointed out that, Zambians did not fight for their independence to allow foreigners to control wealth, citing what they called the plunder of the country's emeralds by Senegalese and other aliens.

They were contributing to a private member's motion by **Mr Peter Shibuchinga** (Luswishi) who said in view of the flaws in the present arrangements of prospecting, mining and marketing of precious and semi-precious stones, aliens should not be allowed to venture into this area.

Mr Shibuchinga whose motion received wide acclaim noted that the Government had backpedalled on its own law, restricting people below the age of 18, non-Zambians and those bankrupt from prospecting in precious stones.

Seconding the motion, **Mr Elght Banda** (Chipangali) called on the Government to control the coun-

try's wealth by taking what he called fool-proof measures.

Mr Boniface Shinga (Chinsali) supported the motion which he called straight forward and urged the ministry to "dismanle" the Mindeco Small Mines, saying it was a liability rather than an asset to the nation.

Mr Rex Natala (Bweengwa) said although the Government encouraged the participation of Zambians in the exploitation of natural resources, it allowed aliens to hunt in areas with plenty of animals while pushing Zambians in remote parts.

Mr Dennis Katlungu (Wusakili) said the Government should not take the people for granted. He spoke against politics of appeasement at the expense of the nation and the future generation.

Mr Julius Kabaso (Chimweimwe) challenged the ministry to tell the nation the truth about some aliens

/13104
CSO: 3400/1547

ZAMBIA

GOVERNMENT TO SELL ALGERIAN FOOD AID THROUGHOUT COUNTRY

Lusaka TIMES OF ZAMBIA in English 13 Mar 86 p 5

[Text] The 15 tonnes of assorted foodstuffs donated to Zambia by Algeria in January are to be sold through the National Import and Export Corporation (NIEC), Minister of Finance and Planning Mr Luke Mwananshiku said yesterday.

"The gifts from Algeria are being sold through NIEC. The proceeds will be credited to Government revenue," Mr Mwananshiku said in reference to Press inquiries.

The foodstuffs, comprising 40 90kg bags of wheat flour, 21 cartons of orange jam, 21 cartons of white beans, 13 cartons of paste, 34 cartons of mandarine juice and 95 cartons of biscuit cakes were presented to Mr Mwananshiku by Algerian ambassador to Zambia Mr Mohammed Adjali on January 16.

A statement issued by Mr Mwananshiku's ministry yesterday said the foodstuffs had not "vanished in thin air as implied."

It said: "Contrary to the wrong impression created in the *Sunday Times of Zambia* report of March 9 and the Opinion of *Times of Zambia* of March 12, the gift is being stored safely at NIEC warehouse while being priced and labelled in English.

"All the inscriptions and

labels on the items are either in Arabic or French languages which are unfamiliar to the majority of the people in Zambia.

"In terms of the Food and Drugs Act it is an offence to offer for sale and display the merchandise in shops as presently labelled because most of the consumers would not be able to understand the descriptions and therefore, the commodity they would be buying.

"It is for this reason and the need to comply with this important requirement of the law that re-labelling of the items in English is being carried out before effecting the sale.

"The food gift from Algeria will be sold as soon as possible through NIEC Stores. It has been decided to sell the commodities through NIEC Stores because of its wide network of shops around the country. This will make it possible for the items to reach the people in rural areas."

/13104
CSO: 3400/1548

ZAMBIA

BEEF EXPORTS TO ANGOLA, CONGO SEEN RISING

Lusaka TIMES OF ZAMBIA in English 27 Mar 86 p 2

[Text]

LENDOR Agricultural Holdings of Lusaka has clinched a two-year \$15 million beef export deal to Congo.

And the company has since the beginning of beef exports to Angola and Congo in November last year stepped up its export drive.

This was said by the company financial director Mr Paul Connolly yesterday when Congolese Minister of Commerce Mr **Alphonse Poaty was taken** on a conducted tour of Huntley and Wangwa Farms in Chisamba. He was accompanied by his Zambian counterpart Minister of Commerce and Industry Mr Leonard Subulwa.

He said the company exported 30 tonnes of beef to the two countries per week but farmers would be geared for more exports when the newly formed African Commodity Company to boost export was fully operational.

Mr Connolly informed the visiting minister that in order to diversify the company's operations it would work in partnership with the Zambia Agricultural Development Limited (ZADL) in the pro-

duction of beef cattle at the Chisamba and Mku-shi ranches.

Lendor Agricultural Holdings had the capacity to match the export demand of beef because it had the required beef storage and would soon have its own abattoir.

The company had more than 15,000 beef cattle from which 1,000 animals were slaughtered per month.

The Congolese minister called for closer trade ties among African countries for their betterment.

He said the export spirit Zambian companies had adopted was good for the improvement of the country's economy.

"What I have seen here shows how serious farmers are to get into the export market and I would like this same spirit to be emulated by people in our country."

He said his country had for sometime been importing beef from Zambia on a weekly basis amounting to 70 tonnes per month.

Because of freight costs, Congo was considering importing the 70 tonnes of beef at once for one month rather than in bits.

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CSO: 3400/1555

12 May 1986

ZAMBIA

EEC, EUROPEAN ASSISTANCE TO TAZARA DETAILED

Nairobi THE KENYA TIMES in English 1 Apr 86 p 9

[Text]

DAR ES SALAAM, Monday

SEVERAL European governments and international organisations have pledged assistance for the improvement of the Chinese-built Tanzania-Zambia Railway line (TAZARA) by providing a total grant of 620 million Tanzania shillings (34.4 million dollars).

The funds will be used to rehabilitate nine Tazara projects between 1985-1995, an EEC official said here on Sunday.

The EEC's economic councillor in Tanzania, Antonius Bruser, said the projects to benefit will include the rehabilitation of Quarries, mechanized track maintenance, rail repairs, communications equipment and supplies of trolleys and trailers.

He said the donors had agreed to buy cargo handling equipment, rescue cranes, re-railing equipment and mechanical equipment for the Tazara workshop.

The quarries project, costing 400 million shillings (5.5 million dollars) would be undertaken at Mununga in Zambia and Kolongo in Tanzania for the production of ballast. Part of the funds will be used to buy equipment like bulldozers, cranes and vehicles.

Mr. Bruser said 50 per cent of the quarries project cost will be met by Sweden and the rest by Italy and the EEC proper.

Austria will finance the mechanized track maintenance project at the cost of 30 million shillings (1.6 million dollars), while Switzerland will provide trolleys at the cost of 20 million shillings (1.1 million dollars).

Sweden and Switzerland will jointly finance the rail repairs project at the cost of 200 million shillings (11.1 million dollars) while Tazara's communications equipment will be improved through a grant from Denmark.

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CSO: 3400/1557

ZAMBIA

THREE ACCUSED, DENY SPYING FOR SOUTH AFRICA

Lusaka TIMES OF ZAMBIA in English 11 Mar 86 p 1

[Text] Three men pleaded not guilty to two counts of espionage before Livingstone High Court judge Mr Justice Wamulungwe Mainga yesterday.

The men are Moffat Changaya Kasweka, 20, of Palm Grove, Charles Waluka, 47, of Mambova village and Progress Sianga, 25, of Palm Grove, Livingstone.

It is alleged that between January 1 and November 18, last year, at Mambova in Livingstone, the trio made a sketch about the position of an army camp at Mambova which was intended to be directly useful to South African forces.

The action by the three men says the State was prejudicial to the safety and interest of the Republic of Zambia.

It is alleged that during the same period the three communicated to South African forces the position of the camp of the Zambian security forces, South West Africa People's Organisation (SWAPO) and the African National Congress (ANC) camp which was intended to be directly or indirectly useful to enemy troops.

The trio are being represented by assistant senior legal aid counsel Mr Chalendo Sakala.

Mr Justice Mainga adjourned the case for trial later in the session.

Senior assistant State advocate Mr Kabazo Chanda applied for the trial to be in camera, but the judge said he would rule on this when the case came up.

Meanwhile, Mr Justice Mainga urged court staff to read out properly details on charge sheets.

He said this after a court staff read out two names on a charge sheet but prisons officers brought only one accused in the dock.

After the judge scrutinised the document, he wondered why two names were read out when there was only one name on the docket.

On the second occasion, the name of an accused was read out wrongly and the judge had to ask the court reader to read the name properly.

/13104
CSO: 3400/1548

ZAMBIA

TWO IN COURT OVER RSA UNIFORMS, WEAPONS POSSESSION

Johannesburg THE CITIZEN in English 24 Mar 86 p 15

[Text]

LUSAKA. — Two British tourists have appeared in a Lusaka court charged with unlawful possession of a rifle, ammunition, South African Army uniforms and an anti-personnel mine, court officials said at the weekend.

Mr David Ian Fretwell (36) and Mrs Linda Swanepoel (32), of Plot 3, Willow Way, Kyalami, Johannesburg, were arrested in the Zambian capital on February 15.

In their first appearance in the Magistrate's Court on Friday the police prosecutor, Assistant Superintendent Max Nkole, said they were found with the weapons and parts of South Afri-

can Army uniforms.

They also had a paratrooper's badge and a copy of the American magazine "Soldier of Fortune", he said.

The magistrate, Mr Dismas Chilufya, remanded the pair in custody to today for pleas.

Mr Fretwell, requesting bail, said the British High Commission in Lusaka would sign sureties ensuring they did not leave the country before their trial.

Both accused told the court they were British citizens.

The prosecutor argued that since the two were in transit through Zambia when they were arrested they might abscond.

/12851
CSO: 3400/1557

ZAMBIA

PRICES OF OIL, OIL PRODUCTS EXAMINED

Businessmen Complain of Overpricing

Lusaka TIMES OF ZAMBIA in English 31 Mar 86 p 1

[Article by Peter Soko]

[Text] **Zambian businessmen have challenged the Government to come out in the open on when the country will start to benefit from the international oil price cut of more than 50 per cent announced last October.**

The business community is also upset by the alleged shoddy maintenance of the Tazama pipelines and has demanded to know the effectiveness of the engineering team deployed to service it in the wake of massive oil leakages in recent weeks.

Zambia Industrial and Commercial Association (Zincom) chairman Mr Andrew Kashita said in Lusaka yesterday that the high cost of petroleum products had adversely affected industrial activity.

Zincom is the second group of businessmen to call for an oil price cut. Two weeks ago the Commercial Farmers Bureau (CFB) urged the Government to reduce the price of fuel in line with the overall oil prices in the past three years.

Giving a breakdown of the oil price reductions on the international market he said last October it was \$28-30 a barrel and in January this year it fell down to around \$20 a barrel.

Mr Kashita said early March the oil price tumbled to about \$15 a barrel and since last week it had further steadily fallen to \$12 and below.

In this year's Budget speech Minister of Finance and Planning Mr Luke Mwananshiku announced that excise duty on heavy fuel had shot up to K230 a tonne and K290 a tonne for light fuel oil.

Duty on super petrol had correspondingly gone up from 42n to 45n. Duty on regular petrol was now 41n a litre as against the previous 38n while duty on diesel had gone up from 32n to 33n a litre.

And duty on liquified petroleum gas oil had been increased from 20n while duty on kerosene would be 11n a litre instead of 10n. Mr Mwananshiku hoped to raise K35.3 million from these measures.

But Mr Kashita said that Zincom was "very concerned" at the fact that the country especially the business and industrial

sectors were allegedly being prevented from proper planning for their investments and efficient operation of their businesses.

"We are supposed to have an economic crusade on and we must all pull together. We are meanwhile, waiting to know when the Zambian people will begin to benefit from the reduced prices of petroleum products on the international market where it has fallen by more than 50 per cent since last October," he said.

On the shortage and high prices of petroleum products, he said Zincom wanted to know from the operating companies notably, Tazama and Zamil whether there was available any engineering manager especially responsible for the maintenance of Tazama pipelines.

Mr Kashita said if such a manager existed he wondered whether he was given a budget for the maintenance of the pipeline "and if not had it been

rejected by the board of directors?"

When Tazama managing director Mr Constantine Chimania talked about the leakage, the business community knew he was not an engineer but that he (Mr Chimania) did not say whether anybody in the engineering management was being fired for mismanagement.

If the engineering management official concerned had not been fired, Mr Kashita recalled, it must be because either the board of directors did not have that position in the company or they had rejected the budget for the maintenance of the pipeline going back several years ago.

"To avoid any misunderstandings when we ran Tazama in the old Indeco days we had a very strong engineering maintenance team.

"It was their responsibility to ensure that the pipeline was serviceable all the time.

Government Remains Firm on Prices

Lusaka TIMES OF ZAMBIA in English 1 Apr 86 p 1

[Text]

PRICES of oil including petrol will not be reduced under the present circumstances because conditions are not favourable, Minister of Power Transport and Communications Mr Fitzpatrick Chuula said yesterday.

All prices could not be reduced immediately because prices on the international market were not stable and were liable to change anytime.

It was therefore imperative that Zimoil studied the situation and determined whether the price drop would hold for

sometime before contemplating any reduction moves.

The minister was speaking in his office during a meeting with Zincom chairman Mr Andrew Kashita, Zimco executive director for transport and energy Mr Patrick Chisanga and Zimoil managing director Mr Dancewell Bowa.

Mr Chuula said because of the fluctuating value of the Kwacha any reduction on the price of oil would be detrimental should the Kwacha de-

preciate further.

Earlier Mr Chuula called for coordination between Government, parastatal and private sectors within the energy sector.

Mr Chuula who made reference to recent statements by Zincom chairman Mr Andrew Kashita said it was necessary for top executives in the energy sector to liaise before making Press statements to avoid giving a wrong picture about the energy supply situation in Zambia.

In recent Press and television interviews Mr Kashita

ta called on the Government to reduce oil prices because of condition in price by the oil producing countries.

Meanwhile Mr Chisanga said Zimoil had recruited an engineering manager from India to maintain Tazama Pipeline.

In the past there had been difficulties in securing adequate funding for maintaining the 1,700 km line as the company was at one time given only £200,000 in three years.

Mr Chisanga said Zambia had adequate supplies of diesel after the resumption of pumping on March 14.

The only constraint at the moment was the movement of adequate oil to various points although this would be done gradually. — Zana.

/13104

CSO: 3400/1554

ZAMBIA

PARLIAMENT ADOPTS MOTION ON MINER RESETTLEMENT

Lusaka TIMES OF ZAMBIA in English 13 Mar 86 p 1

[Text] Parliament yesterday adopted a private member's motion urging the Government to take measures to ensure the orderly resettlement of miners declared redundant because of Zambia Consolidated Copper Mines' rehabilitation programme.

The motion moved by Mr Mufaya Mumbuna (Nalikwanda) was an amendment to an earlier one by Mr Wilfrid Wonani (Kabwe) who had urged the Government to suspend the layoffs until a comprehensive report on ZCCM's rehabilitation programme had been completed and presented to the House.

Withdrawing his support for the original motion, Mr Nkhata said politics was a game of realism.

He called on ZCCM management to freeze some of the jobs which were presently being done by some expatriates to save costs and use the money to resettle the miners who would lose jobs.

It was scandalous that ZCCM was employing expatriates when Zambians were being phased out and cited four expatriates who had been employed by Mufulira Division recently and were being paid £500 a week.

Mr Nkhata strongly attacked the London-based ZCCM subsidiary, Zambia Engineering Services (ZES) whose operations had cost the nation millions of Kwacha through purchases of wrong materials for use on the mines.

Moving the amendment Mr Mumbuna said ZCCM was facing serious economic

problems and if it suspended the redundancies it would collapse.

Mr Alfayo Hambayi (Kanyama), who seconded the motion by Mr Mumbuna, said the decision by ZCCM to lay off 3,000 workers was taken in the best interest of the nation.

Mr Ernest Chiwama (Chembe) said the move by the company was long overdue while **Mr Titus Mukupa** (Nkanga) urged the Government to consider reducing the retirement age for miners to 47 from 55, saying workers were ready to leave because prospects in the company were bleak.

Mr Lazarus Cheelo (Chikankata) asked Government to set up a special fund for the resettlement of miners in appreciation of what they had done for the nation over the years.

But four backbenchers were strongly opposed to the redundancies and

supported Mr Wonani in calling for their suspension.

Mr Noel Mvula (Nkana) said ZCCM management was laying off workers just to protect its interests. He called on Government to halt the "sabotage" by ZES which, he said, had failed to live up to expectations.

Mr Dennis Katlungu (Wusakile) said miners were human beings and they should not be treated like chickens.

Mr Moses Mwachindalo (Roan) said ZCCM should start secondary industries which could absorb the miners. If there were any redundancies, they should start with management.

Mr John Chafwa (Lukanga) also condemned the redundancies and urged ZCCM to rationalise operations.

Mr Dawson Lupunga (Masaiti) criticised ZCCM for laying off workers and for failing to retire some ex-

patriates.

Minister of Mines **Mr Jameson Kalaluka** said if ZCCM did not lay off the workers it would ground to a halt within nine to 10 months.

He defended ZCCM subsidiaries abroad saying if they were scrapped ZCCM would spend huge sums of money to carry out services that were now being done by companies like ZES.

And Speaker of the National Assembly **Dr Robinson Nabulyato** meanwhile gave marching orders from the House to Lubansenshi MP **Mr Albert Chibulamano** for being improperly dressed.

/13104

CSO: 3400/1548

ZAMBIA

MINING PRODUCTION, SALES, PROFITS DISCUSSED

Lusaka TIMES OF ZAMBIA in English 11 Mar 86 p 4

[Text] ZAMBIA Consolidated Copper Mines (ZCCM) made an operating profit of K171.5 million for the quarter ended December 31 as compared to K72.7 million in the same period in 1984, a spokesman said yesterday.

In a statement released in Ndola the spokesman said ZCCM made a net profit of K19.4 million after taking into account mineral export and other taxes which amounted to K152.1 million compared to K36.4 million in the corresponding quarter the previous year.

Copper output at 109,767 tonnes was 19,463 tonnes lower than the 129,230 tonnes achieved in the 1984 quarter and the drop was attributed to continuing shortages of spare parts and consumables.

Copper sales, including bought-in metal were pegged at 147,537 tonnes — 3,980 tonnes below the sales of the quarter a year before.

But the average realisation on copper at K7,956 a tonne was 182 per cent

higher than K2,819 obtained in the same period in 1984.

The spokesman said the higher sales value was because of the substantial depreciation of the Kwacha after the introduction of the foreign exchange auctioning scheme.

Cobalt production increased by 51 per cent to 1,158 tonnes but sales at 903 tonnes were lower than 1,307 tonnes sold in the corresponding period while realisation per tonne at K138,451 was significantly higher compared to K50,324 in 1984.

Lead production went up by 43 per cent from 1,516 to 2,165 tonnes to mark an increase of 1,806 tonnes in sales while that of zinc was up 12 per cent to 5,638 tonnes.

Sales realisation for both metals were higher than those of December 1984.

The company recorded a profit on metal trading of K548.3 million for the quarter against K129 million and sales revenue increased to K1,380.4 million

/13104
CSO: 3400/1549

12 May 1986

ZAMBIA

TAZARA SLASHES FARES IN BID TO INCREASE FREIGHT VOLUME

Lusaka ZAMBIA DAILY MAIL in English 11 Mar 86 p 1

[Text]

THE ZAMBIA Tanzania Railway Authority (TAZARA) has reduced fares and freight rates in Zambia by nearly 30 per cent with effect from today.

The move is intended to enable the organisation to recoup losses made since the introduction of foreign exchange auctioning, and start repaying loans which mature this year to the Chinese government.

Traffic manager John Mumba and finance manager Method Kashonda, who released the new fares and rates in Lusaka yesterday, said that high operational costs had previously forced TAZARA to increase fares, but that this had resulted in a drop in the volume of freight and passengers.

Figures showing the drop in business were not released.

The new fares, with old ones in brackets from Kapi-Mposhi to Serenje, Mpika, Kasama and Nakonde, are as follows for the three classes of ordinary and express trains.

First class ordinary train to Serenje, K27.20 (K42.64); Mpika, K59.40 (K93.15); Kasama, K86.59 (K135.79) and Nakonde, K121.79 (K190.99).

Second class ordinary train, Serenje, K18.22 (K29.57); Mpika, K40.00 (K62.72); Kasama, K58.21 (K91.29); Nakonde, K82.02 (K128.62).

Third class ordinary train, Serenje, K7.62 (K11.94); Mpika, K16.58 (K26.01); Kasama, K23.98 (K37.61) and Nakonde K33.79 (K52.99).

For the first class express train the new fares are: K28.80 (K54.19) to Serenje; K62.80 (K98.46) to Mpika; K91.40 (143.31) to Kasama and K128.60 (K201.69) to Nakonde.

To Serenje by second class express train it is now K19.80 (K31.05); to Mpika K43.40 (K68.03), Kasama K63.00 (K98.81) and to Nakonde K88.80 (K139.24).

And by third class express train it will now cost K9.20 (K14.42) to Serenje; K20.00 (K31.40) to Mpika; K28.80 (K45.20) to Kasama and K40.60 (K63.69) to Nakonde.

Last November TAZARA increased freight and fare charges on trains in Zambia by about 140 per cent because of foreign exchange auctioning. The Authority also cancelled credit facilities in a bid to raise money.

General manager Standwell Mapara said then that the charges would vary weekly depending on the fluctuations in the value of the Kwacha.

He said: "We are actual-

ly not increasing the freight and fare charges as such, but we would like to follow the changes in the weekly fluctuation of the Kwacha, and since we also have to go for auctioning, we are cancelling credit facilities."

/12851

CSO: 3400/1555

12 May 1986

ZAMBIA

OXYGEN FIRM PLANS LAYOFFS TO OFFSET ECONOMIC CRISIS

Lusaka TIMES OF ZAMBIA in English 13 Mar 86 p 1

[Text]

MORE than 120 workers at Zambia Oxygen (Zamox) will be retired or declared redundant between April and June to enable the firm to survive the present economic crisis.

A meeting of board of directors recently voted to reduce manpower which had been going on through "natural wastage" so the company could operate viably.

Because of that, it was decided that some measures be instituted including early retirement, retirements and redundancies.

A circular to employees from company personnel manager Mr Friday Chibesa in Ndola dated March 11, 1986 and circulated to management and the union, says the works council had been informed of the measures.

"Accordingly we are mandated to advise that the exercise is currently underway and necessary measures are being worked out and affected employees and staff will be advised in due

course."

Works committee secretary Mr Webster Sichllongo confirmed the management's move but refused to discuss the issue.

Company sources at the area office and works said 128 out of 368 unionised employees would be affected by the redundancy measures throughout the depots.

These would mainly comprise general workers, operators and supervisors. At first this would be confined to employees aged 50 and above while voluntary retirement would be considered on merit.

Company general manager Mr Alister Campbell was reported to be out explaining the exercise which was expected to be implemented from April 1 to June 30.

Zamox has had to import liquid oxygen from Zimbabwe and production at its main works was reported to have declined in recent months after Zambia introduced the foreign exchange auctioning system.

It was reliably learnt that the pruning exercise would spread to other Indeco subsidiaries.

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CSO: 3400/1555

ZAMBIA

DIESEL SHORTAGE IN LUSAKA, COPPERBELT

Shortage Reported

Lusaka TIMES OF ZAMBIA in English 17 Mar 86 p 1

[Text] A diesel shortage has hit Lusaka and the Copperbelt with some service stations having had no supplies for two weeks now.

A snap survey yesterday showed that all the service stations in Lusaka had run out and fuel attendants said they did not know when they would have fresh supplies.

Caltex Zambia general manager Mr Richard Repko confirmed the shortage but could not give reasons. He said he had received no supplies for two weeks.

"I don't really know but I suppose it is up to Zimol (a Zimco subsidiary) to give reasons," Mr Repko said.

A spokesman for Agip also confirmed the shortage but referred all queries to Tazama.

Zimco executive director for transport and energy Mr Patrick Chisanga said he was not aware of the problem.

Fuel attendants at the service stations visited said there had been an erratic supply of diesel for the last

two weeks causing queues in the few that had the commodity.

One attendant at Thomax Motors opposite the city centre market, said many motorists were yesterday forced to drive to Nampundwe turn off about 10km west of Lusaka where diesel was available in the morning.

"It appears this is a crisis, nearly every station in the centre is dry and black marketeers have also started cashing in on the shortage," one man said.

Transportation, Industry Affected

Lusaka TIMES OF ZAMBIA in English 19 Mar 86 p 1

[Text] THE continuing diesel crisis in Lusaka has almost paralysed the transport system forcing most commuters to walk long distances to their working places.

The crisis has also affected long distance travellers from Lusaka as most of the United Bus Company of Zambia (UBZ) buses have been grounded.

Zimco executive director for transport and energy Mr Patrick Chisanga said in Lusaka yesterday that he did not know when the situation would return to normal.

"I cannot tell when

the situation will be normalised as much will depend on when the Tazama pipeline will come into operation."

Mr Chisanga said.

He said the rationing of the fuel which started on Monday should slightly ease the situation.

The shortage has also affected the mining industry, although production has not been disrupted, a spokesman for the Zambia Consolidated Copper Mines (ZCCM) said in Lusaka yesterday.

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CSO: 3400/1550

ZAMBIA

GOVERNMENT REMAINS FIRM ON NON-SUBSIDIZATION OF FERTILIZER

Lusaka TIMES OF ZAMBIA in English 27 Mar 86 p 1

[Excerpt] THE Government will not reduce the price of fertiliser from the present K48 a 50 kg bag because there is no money to subsidise it, Minister of Agriculture and Water Development GENERAL KINGSLEY CHINKULI told Parliament yesterday.

He said although some backbenchers insisted on reducing the price of the commodity from K48 to K26.75, 'it is impossible to reduce the price on our part. We haven't got the money to subsidise the fertilisers'.

Last month the Government was defeated on the issue when the House passed a private member's motion to nullify the present price of fertiliser and revert to the previous K26.75 a 50 kg bag in line with a recent National Council resolution.

In the wake of yesterday's ministerial statement on the issue, Bweengwa MP MR REX NATALA who moved the motion, rose on a point of order and wondered whether Gen Chinkuli was in order to imply that what Parliament

passed was impossible to implement.

But chairman of the committee of supply and Deputy Speaker MR LEONARD KOMBE made no ruling because Speaker of the National Assembly DR ROBINSON NABULYATO had earlier guided the House on the matter.

Before Government was defeated on the motion seconded by MR NAMUSHINAMUCHANA (Liwuwa), Prime Minister MUSOKOTWANE had argued that Zambians were already overtaxed and could not be squeezed further in an effort to raise money to subsidise the price of fertiliser.

If the Government reverted to the old price of K26.75 for a 50kg bag of fertiliser, it would require K133 million to subsidise the commodity. But only K58 million had been allocated as fertiliser subsidy in the Budget.

Mr Musokotwane was at pains to convince the House that the consequences of nullifying the increase were serious because Government had no money.

/13104
CSO: 3400/1546

ZAMBIA

GOVERNMENT SUSPENDS SALES TAX ON LOCALLY ASSEMBLED VEHICLES

Lusaka TIMES OF ZAMBIA in English 31 Mar 86 p 1

[Excerpt]

The move has been taken to stem the influx of imported vehicles flooding the local market, posing unfavourable competition to local assemblers.

Presenting the Customs and Excise (Amendment) Bill for second reading, the minister told Parliament on Wednesday evening that he was making a modification to the tax system related to imported cars.

"As I explained in the Budget address, the rate of tax prevailing before last October was 150 per cent. The difference was so high that no Zambian could import a car. This is why the rate was reduced to 100 per cent last October," Mr Mwananshiku said.

He told the House that even with this reduction, duty was still very high which necessitated a further slash ranging from 30 per cent to a maximum of 100 per cent.

The suspension of sales tax on locally-assembled vehicles will assist the local industry which made

representations to him that it was badly affected by the influx of imported vehicles.

To encourage the tax payer to pay on time the Bill proposes to raise the rate for late payment of tax from five per cent of the amount due. This was because of the low level of penalty in relation to the penalty costs.

The Bill intends to give legal backing to some of the measures he announced in the Budget speech in January to customs and excise duty.

It seeks among other things to raise the duty on some items to a minimum level at 15 per cent with an exception of agricultural, health and education inputs which will remain free of customs duty.

Mr Mwananshiku said the Bill addressed itself to some of the basic problems affecting the Zambian economy by raising the applicable duty on some imported items so as to curb heavy dependence on imported inputs and alleviate the problems of non-mineral exports.

/13104
CSO: 3400/1546

ZAMBIA

RAIL PROBLEMS PREVENT SUGAR SHIPMENTS

Lusaka TIMES OF ZAMBIA in English 2 Apr 86 p 5

[Text]

NAKAMBALA Sugar Company in Mazabuka has failed to move its produce to the refinery in Ndola because of operational problems within Zambia Railways.

A report presented to the just-ended Southern Province council meeting in Livingstone says the Ndola Refinery is running low on raw sugar stocks and the company's export deliveries to Zimbabwe are behind schedule because of a shortage of locomotives.

The report says plant spares which come to Zambia by sea via Mazara had not yet arrived because of the same problems causing factory expansion work to be at a stand still.

"Sugar is evidently rated low in priority of movement by rail. The readiness of the factory to commence 1986 crushing on time is becoming less certain," the report says.

The company still has the 1984 crop of sugar in storage and any likely market for this consignment would require a vastly improved performance by the railway. This year's crop season is expected to start this month.

The sugar company has started cultivation of maize, soya beans, cotton and sugar beans on a larger scale while kenaf, rice, rain-fed wheat and ground nuts are grown on a small-scale.

Out of 191 hectares of maize planted last year 20 hectares were wasted because of flooding with another 50 hectares badly damaged.

Meanwhile, the Mazabuka district council's operations have been adversely affected by constant break-ins at its motel and abattoir while an acute shortage of transport has forced workers at the motel to carry food on foot.

The council had lost a lot of money during the break-in which affected operations.

Workers were forced to take their daily bankings on foot and it was just fortunate that no bank robberies took place.

One of the two buses had broken down and cannot be repaired because of shortage of spares.

"However despite all these problems, the council operated well with the weaker units like markets and coffin-making being subsidised by stronger units like motels, taverns and the abattoir."

The council experienced acute water shortage during the dry season because of restrictive measures taken by Nakambala Sugar Company who are the main water suppliers.

/12851
CSO: 3400/1557

ZAMBIA

LAYOFFS IN TEXTILE INDUSTRIES ANNOUNCED

Lusaka ZAMBIA DAILY MAIL in English 9 Apr 86 p 1

[Text]

SEVEN thousand workers in the country's clothing and textile industries have been declared redundant because of poor sales.

The industries are unable to keep the workers because customers are rejecting expensive locally made products.

The union membership which was previously 35,000, has since dropped to 28,000 because of the redundancies. In the last two months over 2,000 workers have been laid off.

National Union of Commercial and Industrial Workers (NUCIW) secretary, Ignatius Kasumbu, said yesterday that the future of the industries was bleak.

The union would, however, appeal to the Party and its government to find a clear policy on the importation of finished clothes and textile products.

Customers now preferred imported clothes and this resulted into factories stock-piling their products.

Mr Kasumbu said that the Ministry of Labour and Social Services was aware of his union's dilemma and appealed for quick action to save the industry.

Only last week, 65 workers at a Livingstone textile company lost their jobs because the firm wound up.

Last month, NUCIW Southern Province senior regional secretary, John Bwalya, confirmed that over 200 workers were to

be laid off by two Livingstone clothing manufacturing companies faced with financial problems.

According to the Labour Office in Livingstone, three other companies in the same industry had asked for permission to declare their workers redundant due to liquidity problems.

The confirmed lay-offs were at Town and Country Clothing and Convoy Clothing while the other three companies which had applied for redundancies were asked to defer them to November.

Other sources in the clothing industry said thousands of workers in nearly 35 clothing manufacturing and textile companies in Livingstone alone faced redundancies because nearly all the firms are going through severe cash problems.

Mr Bwalya said there was little the union could do about the problem because the companies were facing genuine difficulties.

THE labour movement has neither withdrawn from the ZIMCO board of directors nor has it asked that it be withdrawn, as implied in our story published on Monday.

Zambia Congress of Trade Unions [ZCTU] chairman, Frederick Chiluba, said in Ndola yesterday that because of redundancies and the effects of the auctioning of foreign exchange which have aggravated the situation,

workers have constantly questioned why the labour leaders should continue sitting on the ZIMCO board of directors and others in parastatal organisations.

"But we have said that it is not for us to resign because we were appointed to these boards by high authorities who alone can relieve us of our positions."

Any embarrassment caused to Mr Chiluba by our story is regretted.

/12851

CSO: 3400/1555

ZAMBIA

BRIEFS

RIFFED DIPLOMATS RETURNING--Thirty-four diplomats have so far been recalled from missions abroad as part of a government measure to cut-down on expenditure Foreign Affairs Permanent Secretary, Peter Kasanda confirmed yesterday. He could not indicate whether all the recalled diplomats have been absorbed in the Ministry of Foreign Affairs or deployed elsewhere. Several other diplomats were still expected to arrive following the pruning exercise in the Foreign Service. [Text] [Lusaka ZAMBIA DAILY MAIL in English 17 Mar 86 p 1] /13104

JAPANESE ASSISTANCE--Zambia has secured a K42.4 million grant from Japan for the construction of two grain storage silos and a junior secondary school at Maheba refugee settlement in Solwezi. The two grain sheds which are to be constructed in Chingola are follow-up projects as Zambia already has four grain sheds under a similar project which is to be completed soon. Minister of Foreign Affairs Professor Lameck Goma said it was not enough to produce food without ensuring that there were proper storage facilities at hand. He said many countries including those in Europe wasted much food through inadequate storage facilities. He thanked the Japanese government for their concern and helping Zambia conserve all her food, saying they had a practical interest in the welfare of Zambians. In reply, Mr Ohta said the construction of the storage sheds would go a long way in helping Zambia reduce her food imports because she would be able to conserve more grain. [Text] [Lusaka TIMES OF ZAMBIA in English 19 Mar 86 p 7] /13104

MORE WORKERS FOR IRAQ--Sixty more Zambians employed by the Yugoslav company Energoinvest are expected to leave next week to work on the company's powerline construction project in Iraq. The first group of 40 workers left for the oil-rich Gulf state in January. An Energoinvest spokesman said in Lusaka yesterday that so far 25 workers who had passed medical examination had been cleared by the Ministry of Labour and Social Services. The rest will be cleared after passing medical examinations. Labour Commissioner Musa Chitangala could not confirm the departure of the workers. When the first group left, he said Government had accepted their conditions of service. And Minister of Labour and Social Services Frederick Hapunda said multinationals were free to send their Zambian employees abroad if they got government approval. Most of the workers are from Kapiri Mposhi/Mpupu/Mpongwe power transmission line project. [Text] [Lusaka ZAMBIA DAILY MAIL in English 14 Mar 86 p 5] /13104

ZIMBABWE

COMMITTEE NAMED TO REPORT ON PARASTATALS' VIABILITY

Harare THE HERALD in English 18 Feb 86 p 1

[Text] The Government has set up a committee to investigate and make recommendations about the viability and general performance of parastatals and to bring them into line with the socialist thrust of the Government's policies.

Naming members of the seven-man committee yesterday, the acting Prime Minister (who is chairman of the Cabinet committee on parastatals), Cde Simon Muzenda, said that since independence the Government had been worried by the fact that parastatals were being subsidised.

"When we took over government they were subsidised and we have been working towards the goal that they should not be subsidised. We have been trying to get a way through which they will be viable," he said.

The independent committee, said Cde Muzenda, was being established on his authority and after full consultations with the Cabinet.

"Having regard to the socialist thrust that underlines the Government's policies and the important role that statutory bodies play in the various sectors of the country's economy, and taking into consideration the general performance of these bodies, the Government has decided to appoint an independent committee to investigate, report and make recommendations on a number

of matters relating to such bodies."

The committee, he said, would be composed of Mr Justice L. G. Smith (chairman), a judge of the High Court; Cde N. N. Mawande, secretary to the Public Service Commission; Cde M. Nziramanga, director of research, Commission of Inquiry into Taxation; Mr J. J. Smit, chartered accountant, Coopers and Lybrand; Cde N. Kudenga, chartered accountant, Kudenga and Company; and Colonel D. H. Granger, a former director of the Whitsun Foundation.

A seventh member would be appointed in due course, said Cde Muzenda.

He said the committee would supersede all other internal investigations which ministries may be carrying out now.

To achieve effectiveness Cde Muzenda called on all ministers with responsibilities for the administration of any statutory authority to direct all such bodies to co-operate fully in facilitating the work of the committee.

The committee would look into:

- Methods of appointing senior management, professional and technical

staff;

- Methods of appointing members of governing boards and the powers of such boards;

- Ways of ensuring effective Government involvement in appointments to top management posts;

- Whether senior public servants who are fully committed to the running of their ministries should serve on parastatal boards.

- Whether the overall management structure and the staffing situation of each parastatal are soundly based and, if not, what changes are required for the more efficient running of the organisation.

- The need to introduce within each parastatal organisation, wherever this is lacking, a system to regulate appointments and promotions at all levels.

On performance the committee would look into:

- Ways of ensuring that in their operations parastatals strictly conformed to Government policy.

- The viability, financial management and administration of parastatals.

- Pricing, marketing,

sales performance, tender procedures and investment decisions and policies.

- The possibility of establishing a mechanism to monitor and report on the overall performance on a continuing basis.

- Whether, taking into account the nature and scope of their functions or the record of their performance, any of the existing parastatals should be assigned additional or, alternatively, reduced functions; integrated into some other parastatal or relevant ministry; or discontinued, having regard to Government policy and efficient allocation of resources.

Cde Muzenda said the committee would probe "any other matter affecting or incidental to the foregoing, including any legislative measures that may need to be adopted in the interest of the efficient management of the parastatal sector as a whole".

The move had not been necessitated by any recent developments in some parastatals, he said.

/13104

CSO: 3400/1552

ZIMBABWE

EDITORIAL ADVOCATES NO TRUCE IN WAR AGAINST CORRUPTION

Harare THE SUNDAY MAIL in English 30 Mar 86 p 12

[Text]

WE have no hesitation at all in stating the fact that the Zanu (PF) Government of this country has by far exceeded the frequently half-hearted attempt, of other African states in its relentless determination to combat corruption in public life. That stand alone is a major morale booster for the party members, the Government itself, and the nation at large.

The importance of the events in Parliament last week lies not only in the fact that a story of corruption was unearthed but that it was published at all. One of the first casualties of a corrupt government is the citizen's right to information. It is only a strong, principled, and confident government that can tell the people about corruption in high places. To its great credit, our Government recognises that the effective drug against corruption is publicity, and that is what happened last week and no doubt the people of this country applauded.

There can be no doubt that, in many developing countries, last week's devastating report by the Parliamentary Public Accounts Committee would never have been allowed to be tabled in Parliament, let alone published in the national media for all to know and digest. Once again we repeat, our system works.

When all is said and done, socialism is a social philosophy whose praxis demands from all, especially leaders, the utmost in self-discipline, personal integrity, and political rectitude at all times.

It is even more so in our national context

where, in fact, our leaders are pioneers forging a path for the nation in a great struggle to transform society as a whole. The behaviour of the leadership, whether in the party, Government or the public sector generally, must be exemplary, committed, dependable. In short, the leadership must be a veritable distillation of the ablest and the best.

The party has said our socialism will not be a replication of any other socialist order. But it did not say that our socialism would accommodate unmitigated greed, selfishness, and individual capitalist accumulation of wealth. The clarity of the party's direction must not be allowed to be in any way blurred by characters without faith in it.

The past two months have seen the ignominious fall of two extremely corrupt dictators, Duvalier of Haiti and Marcos of the Philippines. Between them and their families and friends, these two dictators siphoned off an estimated \$10 billion from their impoverished countries. That is what unchecked corruption can do.

Although now recognised as the two most notorious thieves in exile, the fact remains that they virtually succeeded in destroying their countries' economies. They penalised their peoples and countries to satisfy their greed.

The lesson is obvious — there must be no truce in the war against corruption. Once corruption is allowed to be institutionalised grave danger befalls the whole country and all the people in it.

SOUTH AFRICA

BANKER, THEOLOGIAN DISCUSS SANCTIONS, DISINVESTMENT

Development Bank Chief's Comments

MB130958 Johannesburg Television Service in Afrikaans 1905 GMT 7 Apr 86

[Interview with Dr Simon Brand, director of the Development Bank of Southern Africa, by Ruda Landman Presented by Freek Robinson on the "Network" program--live]

[Excerpts] [Robinson] In tonight's "Network," we turn to the debate on disinvestment and sanctions, following Bishop Tutu's call last week in Johannesburg for economic sanctions. We are now going to interview Dr Simon Brand on the economic implications of sanctions.

[Landman] Dr Brand, you are with the development bank. What do you think the effects of possible sanctions on South Africa will be? Let us begin with domestic effects.

[Brand] There is no doubt that for a country like South Africa, which is tremendously dependent on its international relations, sanctions can have a very detrimental effect. As you know, we export about 30 percent of our country's products. And that is a particularly powerful force in the economic growth and development process. We are dependent on certain necessary imports in order to keep our economic machine on the go, and we are dependent, to a certain extent, on foreign capital to help finance the difference between our exports and imports. But I also think it is important to realize that the impact of sanctions would not be an immediate clean operation which would bring the economy to its knees within weeks or even months, and thereby, the way I understand those who support sanctions, force the politicians to certain decisions. South Africa, over the past 2 decades, has lived under the threat of sanctions, and therefore provisions has been made, over the years, for the kind of circumstances which can develop. We have had an oil stockpiling program, South African Coal, Oil, and Gas Corporation plants have been built, there is the diesel engine project, there are several other projects in strategic fields which have been developed.

[Landman] Which sectors will be worst affected by a total boycott campaign?

[Brand] It will be mainly the export sector. But even in that case, one has to accept that it will be very difficult to completely cut off South Africa's exports from world markets. So the point I wish to make is that here we will be faced with a long, drawn-out situation which will not bring the country's government to its knees in a short period.

[Landman] And what would be the effects on our neighbors?

[Brand] I believe that there the circumstances will be very different. Their economies...[changes thought] they are small countries, they are countries with weak economies, low incomes, they are countries which have not taken the kind of precautions we have.

[Landman] And are they dependent on South Africa's economy? To a great degree?

[Brand] That is right, they are greatly dependent on this country's economy, as regards provision of employment, the provision of essential imports, and also regarding transport systems and various other forms of infrastructure.

[Landman] Will it effect the individuals, the people, of South Africa and its neighbors in particular?

[Brand] I think that the people in the neighboring states will necessarily be affected more quickly and much more drastically than the people of South Africa. The people in this country will be adversely affected, seriously so, over a longer period, because the economy will not be able to maintain the growth it is capable of.

[Landman] Thank you very much for your time with us this evening.

[Brand] Thank you.

[Landman] From me, then, good night for the present.

Church Official, Theologian Debate

MB130911 Johannesburg Television Service in Afrikaans 1905 GMT 7 Apr 86

[Interview with Dr Beyers Naude, General Secretary of the South African Council of Churches (SACC), and Prof Johan Heyns of the Department of Theology, Pretoria University by Freek Robinson, presented by Ruda Landman on the "Network" program--live]

[Excerpts] [Robinson] In Tonight's "Network" we turn to the debate on disinvestment and sanctions following Bishop Tutu's call for economic sanctions in Johannesburg last week.

[Landman] In the studio we have Dr Beyers Naude, who played a major role in the National Education Crisis Committee conference, and Prof Johan Heyns, who will argue about the moral basis of the call for sanctions.

[Robinson] Dr Naude, Professor Heyns, welcome to "Network." Dr Naude, I want to begin with you. You are a great friend of Bishop Tutu. You understand his thinking. Do you agree with his call for sanctions?

[Naude] I have said before and I repeat it again, I agree with the call he made regarding the necessity for more stringent economic pressure on South Africa. I think it is of the utmost importance that there be a greater understanding in South Africa of the motives of a person like Bishop Tutu.

[Robinson] What are his motives?

[Naude] I believe they lie in his deep concern at the increasing violence in South Africa, the ever more militant attitude in the black community, and the urgent need for a last attempt to find nonviolent methods of ending this violence. That is his aim, and I am convinced that he is doing it out of sincere Christian conviction.

[Robinson] Prof Heyns, your reaction?

[Heyns] I share completely your and Bishop Tutu's anxiety about the situation in our country. Indeed, I believe that there are very few people, Christians, in this country who do not share your distress. I also share your view that something has to be done to relieve that distress. But, Dr Naude, I would like to say very clearly that I do not and cannot agree with you and Bishop Tutu on the fact that you as church people are trying to solve the situation in our country, because as I see it and understand it, it will polarize the country. Rather, as church people, I think the church should act in a conciliatory, healing, uniting manner. And it is against that background that I wish to say that I think that you are not only doing a disservice to the church, but also very seriously to Christianity in South Africa.

[Robinson] Let us just look at sanctions, then, as a means of reaching a certain goal. Do you believe that that means can be justified in a Christian sense?

[Naude] Yes, I believe it is justifiable, depending on the motive behind it. I want to differ with Professor Heyns in this regard, when he says we have to have an ethical definition for sanctions. Are sanctions un-Christian? Is the support for sanctions, for peaceful methods of resolution, like, for instance, a boycott, necessarily outside the ethics of our Christian learning and our belief, our Reformed teaching? History has shown us again and again that among our Reformed forebears, there were statements, many of them giving us the right, under certain circumstances, to apply such measures in order to avoid a greater danger and in order to achieve a greater good.

[Robinson] But would you say the consequences of sanctions are necessarily Christian?

[Naude] I do not think one can determine beforehand what the consequences may be. I think one has to act in the light of one's convictions of what is necessary at a given moment in order to prevent a greater evil, but if you

believe your motive is pure, if your goal is the best for the whole population, then you can leave the outcome in God's hands. Let me use this example: If I think of the whole principle of sanctions, then I believe there is an ethical justification for certain action if one is convinced that by that action you observe greater obedience to God than to man, if your goal is to end a system of political and economic injustice in order to end further suffering, then I believe one has the right and the duty to do so.

[Heyns] But, Dr Naude, in principle I admit that in the Reform ethic there is indeed a place for sanctions. Indeed, there is also a place for even a war eventually. The Reformed ethic has never stood for pacifism and thus the Reform ethic principle will never reject sanctions as a final measure. But I have this serious problem with your view and with the views of all the other church people who propagate sanctions as a punitive measure to bring about change in South Africa, and that is that it is not the task of the church to ask for sanctions even though the church, in a given situation, would approve sanctions as a final measure. You see, my problem is that you, as a churchman, want to approve of a forbidden method by calling for sanctions. If I understand the essence of the church correctly, if I look--and, after all, we are here tonight as theologians, and not as politicians--if I look at what Christ did in the time of the Roman empire, when slavery was practiced worldwide--and slavery must be the most inhuman form of treating human beings--how did Christ, as head of the church, react? Did he institute revolutionary measures, which called on his 12 disciples simply to go and abolish slavery where they found it, or did he act totally differently, because he was acting as head of the church? What did Paul do regarding the slave Onesimus? When Onesimus became a reformed person, he sent him back to Philemon, and said to Philemon: Receive your slave as a brother. In other words, Paul laid down a basic principle for the change and the eventual abolition of slavery. But he did not use a revolutionary method, rather he used an evolutionary method. We would have preferred slavery to have been abolished much earlier, but that is not the point. The point is, that what you are doing does not follow the path of evolutionary change in this country but revolutionary change. And that is the problem. You are stimulating violence in this country.

[Naude] I am sorry, but I do not agree in any way with what you say. I want to say very clearly that sanctions and boycott can, in our situation, possibly be the last nonviolent method of saving our country from a bloodbath of destruction, of conflict, in which the price paid by black and white will be immense.

[Heyns] But let me...

[Naude interrupting] May I continue or just a moment? May I say the argument you are using that the church must act in a churchly manner..[changes thought] I believe there is nothing wrong, in principle that when a situation as serious as the one in our country, has developed the church not only has the right, but the duty, to make use of this method too.

[Heyns] I ask you this: How does your action differ from that of any other pressure group or any other political party? In other words, are you not busy

violating the deepest essence of the church by calling for a method which does not lie within the scope of the church?

[Naude] On the contrary, I am trying to allow the witness of the church to be heard in a situation of increasing tension and violence, in which that witness can become a force for reconciliation for the day when those who did not realize what the situation was in good time and did not act in good time remained silent.

[Heyns] I just want to say you are not preventing the revolution, but encouraging it. And when one encourages revolution in our country, is it really the task of the church to do so or is the task of the church to prevent bloodshed?

[Naude] I totally reject the statement you are making, that we are encouraging revolution. The revolution in this country is being encouraged and caused by the policy of apartheid, by the injustice of this system. The solution lies not in tampering with it in any way, but in saying: Abolish, and abolish immediately, the injustice of apartheid, the causes, the consequences. Then there will be no need for sanctions or any other punitive measures. That is where the important task lies, which is not being done.

[Heyns] But, Dr Naude, let me say quite honestly, we have to be very careful about the dangerously naive view, which I call the myth of anti-apartheid. By that I mean that it is unbelievably naive to believe that if all apartheid measures are abolished in this country, Utopia will be born tomorrow, because our problems in this country go much more deeply than the abolition of apartheid. And I am certain that you will agree with me.

[Naude] I agree, but I qualify that by saying: abolish this injustice, get rid of it completely, then we can work together, building a new future.

[Robinson] Dr Naude, I want to ask you this. You see, it is said, among other things, that sanctions are perhaps the last way of getting rid of apartheid. But surely, there is already a process under way in South Africa to get rid of so-called apartheid. Do you really believe that the point has come where what has been done is of no value. In other words, that the time has come where sanctions are the final solution?

[Naude] I do not say that the attempts being made have not had some effect. But what I want to say very clearly is, that no matter how good intentioned it is, what is being done is too little and, in many respects, too late. I am sitting here at this moment and I am expressing the feelings of a tremendously large part of the black community of South Africa. And those who allege that the majority of the blacks in South Africa are opposed to sanctions simply do not know what they are talking about. I want to say....

[Robinson, interrupting] But a story by Professor Schlemmer found that.

[Naude] I can also point out to you that a later survey undertaken by the Institute of Black Research last year in September indicated clearly that 70 percent of all who were questioned were in favor of sanctions in one form or another, and of disinvestment. And in the survey we did at the Council of Churches before we decided in November last year, there was no doubt of the positive reaction by all the groups we polled regarding sanctions. I think it is also important to note that....

[Robinson, interrupting] But, Dr Naude, let me say here that, regardless of what we can find in various surveys which say this group says this, and that group says that, let us look at the issue of the task of the church in reconciliation and in increasing the polarization in society. I would like to get the views of both of you on the issue of reconciliation and the reduction of polarization in the community. Professor Heyns?

[Heyns] That is precisely the problem. Dr Naude refers to the fact that the majority of the people favor sanctions....

[Naude, interrupting] No, I did not say the majority. I said the majority of blacks. Seventy percent are in favor of sanctions in some form or another.

[Heyns] But to me that is no argument for the Christian ethic--how many people favor it,--because all people are sinners. Is it, therefore, just and necessary to (?support) sin? Just because all are sinners? The point in this country, which is heading for a crisis--and we will all acknowledge that, and we pray for the future, for tomorrow, and the day after--is the question of the role of the church in this situation. And the role of the church is not to make partisan political choices which will encourage further polarization. So tonight I want to ask you--and it is perhaps a fair question--the question: First, have you and Bishop Tutu and those who support this view, have you ever come out positively in praise of the attempts at reform, other than saying it is too little, too late? Have you encouraged reform positively? And second, have you done something about changing the attitudes of people in this country, even through the Council of Churches? Because it is my religious convictions that no single political solution is possible in this country if it is not based one, and flows from a radical and total change in the attitudes from the heart. So I ask you, have you, as secretary of the SACC, tried to spell out for churches their task in changing the attitudes of our people?

[Naude] Of course we have done so. Time and again I have pointed this out. Next week, for example, the member-churches of the SACC will be holding an emergency meeting on the crisis situation in the country, where we will discuss these issues in great depth and possibly formulate recommendations to send to the member-churches for their consideration.

[Heyns] But this is all among spiritual associates.

[Naude] Yes.

[Heyns] What of those who are not members of the SACC?

[Naude] If there are any of them prepared to talk with us about it, we will do so. How many times has Bishop Tutu tried to get in touch with the Dutch Reformed Church [NGK] only to be turned down time after time? How many times have member-churches of the SACC tried to involve the NGK and say: Come, let us speak about these things? Think about the daughter churches, think of all the attempts which were made. No, Professor Heyns, the matter is not that simple.

[Robinson] Prof Heyns, what has the NGK done, for example, specifically to seek solutions to the problems in the country? You are charging Dr Naude, for example, with encouraging revolution. How do you reply to that?

[Heyns] I would begin by saying that I can certainly admit that we have done far too little, and that we must do much more. But on the other hand, I believe that through the discussions we are conducting, including our own young churches, we are firmly in favor of reconciliation. At the moment we are busy with the rewriting of that well-known brochure "Race, People, and Nation," in which we attempt to go into this matter intensively. I do not for a moment want to say the NGK has done enough on this issue. But I deny that the NGK has done nothing at all. But I also want to say that in the NGK--and in my view quite correctly so--there is an unwillingness to work with people who have made a political choice in anticipation. I can tell you that it is impossible for the NGK to work with people who say that only when sanctions are applied from abroad, only then, will our problems be solved. Because then we will have aligned ourselves on the side of a particular political pressure group. And Christ's church may not become a pressure group. Rather, it must be conciliatory over tensions, try to reduce them and bring people together. And tonight I say categorically that I do not believe this action is going to bring people together, but is playing into the hands of the revolutionary violence people who are forcing us apart. And that is my great concern.

[Robinson] May I just come in here for the last time. Our time has rushed by. I want to give each of you a chance just to wind up. Dr Naude?

[Naude] In a single sentence, I want to say the real meaning of reconciliation lies not in words and decisions, but in deeds. A deed of love, a deed of solidarity with the suffering, the oppressed, with those who feel their rights have been taken away. That is where true reconciliation begins. Only after that can one take the next step. And the church which does not do so deprives itself of the right and the opportunity to exercise reconciliation.

[Robinson] Professor Heyns, briefly?

[Heyns] Dr Naude, should we not, in this country, try everything to try to heal the tragic fragmentation of the church before we try individually to solve the problems with political models? And I wish to ask you--you who are in an important position in the SACC--do you not want to use your position to try to stimulate us as churches--and free from any political models--to change the attitudes of the people of this country? Is not that an enormous

challenge to you rather than working from partisan political position?

[Robinson] I regret, unfortunately, there is no time for Dr Naude. Our time is up.

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CSO: 3400/1542

SOUTH AFRICA

TRANSKEIANS HOLD ANNUAL CONGRESS, NATIONAL ASSEMBLY

Chief Matanzima Opens Meetings

MB150737 Johannesburg SAPA in English 2154 GMT 14 Apr 86

[Text] Umtata, April 14, SAPA--Transkei would never have a realistic, separable destiny from that of the rest of South Africa to which she was bound by historical, cultural, social and economic ties, Transkei's prime minister, Chief George Matanzima, said in Umtata today.

Officially opening the annual congress of the ruling Transkei National Independence Party, Chief Matanzima, said he was not advocating a simplistic surrender of Transkei's sovereignty.

He said he merely wanted to spell out the strong position from which Transkeians could participate and contribute to the shaping of an acceptable political dispensation in southern Africa.

"We have never relinquished our rightful claim to the rest of South Africa and have always expressed our readiness to participate in dialogue and negotiations geared at establishing a dispensation that would be acceptable to the majority of people of the subcontinent," he said.

The 3-day congress, which precedes the official opening of the Transkei National Assembly on Wednesday by President Tutor Ndamse, began yesterday.

Chief Matanzima said a few concessions to participatory democracy in the near future were notable this year, such as the declaration by the Nationalist government on its commitment to the dismantling of apartheid, and a Nationalist cabinet minister's speculation on the possibility of a black president.

He also mentioned a call by the business community for the negotiation of a more democratic social order, and the call by Afrikaans students for the reconciliation of the polarised positions of the South African Government and the exiled movements through dialogue.

"It is a sad commentary of our times that differences of opinion and ideological outlook should constitute some of our own people who hold different views unnecessary antagonists and a threat to law and order.

"We do believe, however, with the improvement in the climate for and communication between all people, a situation will develop which will make it unnecessary for government to evoke emergency measures.

"To achieve any measure of success in the political transformation effort in Southern Africa we shall need a statesmanship from all the political leaders and personalities. Such statesmanship must disregard the banalities of personal aggrandisement, bigotry and divisiveness.

"We shall on our part open the doors to dialogue and negotiation with parties and governments in the advancement of the universal well-being of all men irrespective of their race, ethnic or ideological persuasion. This is the best test of our maturity as citizens and architects of a greater Southern Africa," Chief Matanzima said.

He said the preaching of a "self-delusory and self-corroding dictum of politics first, and education after" by today's students was a "cancer" which had taken root in the vital systems of the education.

This was "the height of folly as there was no society that could be built by illiterates." By depriving themselves of the tools of knowledge, analysis, and discerning, the children had relegated themselves to a suicidal gesture to a state of limbo.

Regarding the offer of a common citizenship made last year by the state president, Mr P.W. Botha, to citizens of independent states, Chief Matanzima said Transkeians had a different conception of their independence. They saw it as a liberation of an area in which they enjoyed full citizenship.

He said the question arose whether South Africa intended to confer the kind of citizenship which gave full rights and obligations, such as the right to vote and be voted into the organs of state at all levels, to own land, unhindered access to economic power and the freedom of expression.

"There is no mechanism by means of which Transkeians would exercise the normal right of citizenship apart from eligibility to possess a South Africa passport.

"We do not close the door to a political association with South Africa based on democratic and non-racial principles," the prime minister said.

Minister Condemns Disinvestment Call

MB151628 Johannesburg SAPA in English 1530 GMT 15 Apr 86

[Text] Umtata, April 15, SAPA--Bishop Desmond Tutu should first renounce his income and go without the bare necessities of life before advocating disinvestment, the Transkeian prime minister, Chief George Matanzima, said yesterday when officially opening an annual congress of the ruling Transkeian National Independence Party in the Umtata city hall.

12 May 1986

Bishop Tutu is in favour of sanctions being imposed on South Africa by foreign governments to force the South African Government to abolish apartheid.

Chief Matanzima said it was "the greatest exposition of lunacy and stupidity for a black man to advocate disinvestment, as such a step would hurt the black man most.

"Bishop Tutu, the Anglican bishop of Johannesburg, should first renounce his salary and all the money he gets from overseas."

Chief Matanzima made the statement before Bishop Tutu was elected archbishop of Cape Town.

About his government's relations with other governments, Chief Matanzima said the Transkei government would seek negotiations with different governments and organizations in a new era of statesmanship.

He said the Nationalist Party government of South Africa had committed itself for the first time in 40 years to the dismantling of apartheid.

Chief Matanzima said he spoke as the leader of the ruling party, expressing sentiments of the party which would be translated into future programmes of government action.

He said he was not advocating a surrender of Transkei's sovereignty, but wished to spell out strategic positions from which Transkei could participate in the shaping of a political dispensation in southern Africa which would be acceptable to the majority of its people.

President Reproaches School Boycotters

MB161600 Johannesburg SAPA in English 1555 GMT 16 Apr 86

[Text] Umtata, April 16, SAPA--Black South Africans who boycotted schools had the "appetite of a suicidal generation," the Transkei state president, Paramount Chief Tutor Ndamase, said in Umtata today.

Opening the 11th session of the National Assembly, Chief Ndamase said the boycott of education was like trying to heal a wound by inflicting a more serious one.

Performing his first official duty as the new state president since taking over from Paramount Chief Kaizer Matanzima on February 20, Chief Ndamase told parliament education had never been so much in danger as now, at a time when blacks needed it so much.

"We plead for a sense of balance in the evaluating of our problems," he said.

"No matter what the motivation is, our salvation for generations to come lies in our avidly embracing and developing it through participation.

"We have witnessed too much violence in the past year in various centres in South Africa" he said.

Chief Ndamase said: "We cannot be impervious to these tragedies because they occur across our borders.

"The victims and the perpetrators are our own people.

"We cannot condone these acts in the name of the struggle.

"In a situation where brothers kills brother, where mere urchins are transformed into grotesque monsters by blood-curdling macabre acts of violence in the name of the cause, we must, as men of courage and conscience rescue the cause of liberation from the quagmire that soils it and preach the gospel of reason and reconciliation.

"We must build bridges among peoples of different races, nationalities and political persuasions," Chief Ndamase said.

He said Transkei had dismantled the local structure of apartheid, and accorded people of all races the opportunity to live and work together in freedom and in brotherhood.

"We opened hitherto unknown opportunities in the social, economic, cultural and political spheres to untold numbers of our people and enabled them to develop their potential to the full.

"However, Transkei is not an island unto itself.

"To take an isolationist view of our regional position would be tantamount to burying our heads in the sand like an ostrich," he said.

/8918

CSO: 3400/1529

SOUTH AFRICA

'NECKLACE' STATEMENT BY WINNIE MANDELA STIRS CONTROVERSY

AFP Clarification

MB160554 Johannesburg SAPA in English 2319 GMT 15 Apr 86

[Text] Johannesburg, April 15, SAPA--The Johannesburg office of Agence France Presse [AFP] today issued a press statement clarifying its position in the controversy surrounding a speech made by Mrs Winnie Mandela in Munsieville, Krugersdorp, on Sunday when she was quoted in some newspapers as having referred to "necklace killings" in her speech.

The AFP statement says: "Agence France-presse journalists in Johannesburg would like to point out that although they stand by the quotes attributed to Mrs Winnie Mandela during her Sunday speeches, the report filed by AFP from Johannesburg in no way said or implied that Mrs. Mandela publicly endorsed death by burning.

"Neither did the AFP report make any reference to the burning of black collaborators or of whites.

"These miscomprehensions arose from misinterpretations outside the control of AFP journalists in Johannesburg."

Commentary Scores ANC

MB170559 Johannesburg Domestic Service in English 0545 GMT 17 Apr 86

[Station commentary]

[Text] In the past there have been various perceptions, at home and abroad, of the African National Congress. This can no longer be the case, following the wide publicity given overseas to the reported utterances of Mrs Winnie Mandela at Munsieville on Sunday.

She left no one in any doubt that the ANC is a full-blooded terrorist organisation committed to violence as the only means of gaining power. One of her exhortations in particular--"together, hand-in hand with our boxes of matches and our necklaces, we shall liberate this country"--has reverberated around the capitals of the Western world.

It has clearly shocked those who fondly believed the ANC to be a moderate organisation representing the democratic aspirations of South African blacks. The American State Department commented bluntly: "Calls for violence and vengeance do not make sense in an already polarised situation." In Britain the press gave prominence to Mrs Mandela's address and commented freely on it. The TIMES speaks of her symbolic influence as wife of the jailed ANC leader Nelson Mandela, and comments: Both her rhetorical gifts and her symbolic leadership status give her an obligation to show responsibility. To judge by the past week's performance, this is an obligation she has not yet appreciated.

The newspaper makes the point that her remarks will have an effect on the mood inside South Africa, and will shed new light for observers outside the country on what Mrs Mandela and militants in the ANC have in mind. The TIMES says that the courage displayed by Mrs Mandela in the face of the restrictions placed on her made her world-renowned and the darling of the liberals. But today this image is in tatters. It says that she has now for the first time made it clear that the ANC is committed to revolution and is not interested in sharing power with the whites in South Africa but is bent on seizing it from them. This new insight, in Britain in particular, into the situation in the country, is to be welcomed.

There is wider appreciation in the United States of the ANC's objectives. In an article towards the end of last year, the WALL STREET JOURNAL referred to the ANC as a movement: that has no interest in anything other than taking absolute control of South Africa and delivering it into the Soviet camp. This is a message which should be heeded by South Africans who are naive enough to believe that the ANC can make a contribution to the peaceful resolution of the country's constitutional problems. There can be no real commitment to peaceful solutions while one considers the possibility of violence as an alternative.

The supreme irony is that while the South African Government has embarked on a road of broadening democracy, leading eventually to all people's of the country having a say in central government, the ANC has committed itself to torpedoing this process, and though preaching democracy is intent on bringing about a socialist state in which there will be no question of democracy. Mrs Mandela might well have done South Africa a great service in bringing this to the attention of the outside world, in a manner more forceful than anyone else could have done it.

/8918

CSO: 3400/1529

12 May 1986

SOUTH AFRICA

BBC INTERVIEWS HURLEY ON TALKS WITH ANC

MB171620 London BBC World Service in English 1515 GMT 17 Apr 86

[From the "Focus on Africa" program]

[Text] In recent months, there has been a stream of contacts between leaders of various South African groups, including businessmen and representatives of opposition parties, and the outlawed ANC in Lusaka. The latest visitor has been Archbishop Denis Hurley, who this week headed a 4-man delegation from the Catholic Bishops Conference of Southern Africa.

At the ending of the meeting, a joint communique expressed the need for the dismantling of apartheid in South Africa. In Lusaka, Jim Fish asked Archbishop Hurley what his impressions were of the ANC.

[Begin recording] [Hurley] My impressions are that the ANC are very clear and very specific. Their information is accurate. Their assessment of the situation in South Africa seems also very accurate and the formulation of their views is very precise.

[Fish] And how do you feel about the ANC's policies on how to dismantle apartheid?

[Hurley] They put very clearly before us that, way back in the past, they began nonviolent measures, but later on, in the early sixties, they turned to restricted violence, such as use of sabotage against premises but not against people and then went beyond that to further dimensions of violence. They make out a very good case for their policy, pointing out that they tried every other method and means before turning to that, and they feel that they have served them well in arousing the black population in South Africa to the pitch of opposition at which it is now, and they feel that things are going their way in regard to breaking down the apartheid regime in South Africa.

[Fish] Do you agree with the ANC's methods?

[Hurley] We've always liked to disagree with violence as far as possible but, in all the history of mankind, violence has played its part and in a recent document from the Holy See from Rome on liberation theology there is a very full treatment of full justice and methods of pursuing justice with great emphasis on peaceful methods with finally a statement to the effect that when nothing else works, one can have recourse to violence. [End recording]

12 May 1986

SOUTH AFRICA

BISHOP TUTU WARNS OF ANOTHER CIVIL WAR

MB170616 Johannesburg SAPA in English 2135 GMT 16 Apr 86

[Text] Johannesburg, April 16, SAPA--South African could have another civil war which would make another [as received] look like a "Sunday school picnic," Bishop Desmond Tutu said in Johannesburg tonight.

Turning to the role of the church in South Africa in his opening address of the SACC [South African Council of Churches] conference on the theme, he said "As Christians we cannot shrug our shoulders (about the crisis)--we have the power of God."

Other points raised by him on the role of the church was: The need to underline the signs of hope in South Africa such as the "visits to Lusaka," the role of the Black Sash, the end Conscription Campaign and other organisations and coalitions opposed to apartheid.

--That the church be a witness to the resurrection after death which means that "we are always prisoners of hope" and that this hope was based on God, "not on ourselves. He is in charge, and that is what we must proclaim."

--That the church must prepare its congregations--particularly white congregations--in persuading them it was in "their best interests to share rather than to lose all."

--That help must be given to all who wanted to change and to guide them through the transition.

--That the church must start making specific demands and prepare for negotiations. "We must demand the abolition of pass laws...that police stay away from funerals...it seems as if the police don't know how to handle a peaceful situation," he said.

--That the church tell the government to move away from reform: "You do not reform a Frankenstein--you destroy it...I think we have to take action for justice, peace, reconciliation...be prepared to disobey unjust laws...."

--That Christian businessmen, lawyers and magistrates be challenged on how much longer they are going to be part of upholding apartheid. "Why do judges

and lawyers assist in the maintenance of what is patently unjust?" he asked.

--That whites visit places like Soweto to share some of the black experience in day to day living.

--To involve more and more whites in peaceful demonstrations--"Police won't shoot so quickly," he said.

Bishop Tutu earlier said the church must also address itself to issues such as "necklacing," and "the new phenomenon of vigilantes--which many blacks believe are being aided by police, which may or may not be so."

Bishop Tutu ended his address by saying that the only way we can get out, that we will survive, is manacled together in our common humanity...to struggle together.

"The only way we can be free in this country, is together," he ended.

/8918

CSO: 3400/1529

SOUTH AFRICA

AZAPO CONDEMNS HEALTH MINISTER'S WARNING

MB151207 Johannesburg SAPA in English 0922 GMT 15 Apr 86

[Text] Johannesburg, April 15, SAPA--The Azanian People's Organization (AZAPO) today condemned the minister of national health, Dr Willie van Niekerk's warning that doctors who are "actively fostering revolutionary activities" would be "dealt with accordingly."

"The AZAPO standpoint on health has always been that health should be available to one and all on a totally non-discriminatory basis and free of charge," said Dr Abu-Baker Asvat, the health secretary of AZAPO, in a statement to SAPA today.

"If that is what the minister calls revolutionary then we have no qualms about it. We are proud."

"If all the money being spent on defence is redirected towards health, education, housing, social welfare etc. It would be a less traumatic experience when this society is transformed into a non-oppressive and non-exploitative one," Dr Asvat added.

Dr van Niekerk made his remarks yesterday in the opening speech to the Fifth Congress of General Practitioners in Johannesburg.

He said a group of doctors were "actively fostering and participating in revolutionary activities" and warned that they "risk being dealt with accordingly." The minister did not specify who the group of doctors referred to were.

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CSO: 3400/1529

SOUTH AFRICA

BUTHELEZI SAYS KANGWANE LEADER TURNS BACK ON BLACKS

MB150704 Johannesburg SAPA in English 2302 GMT 14 Apr 86

[Text] Ulundi, April 14, SAPA--The chief minister of Kangwane, Mr Enos Mabuza, had "turned his back" on his fellow black South Africans who, for many years, believed he shared their noble aims and aspirations.

This was said in the Kwazulu legislative assembly today by Chief Mangosuthu Buthelezi, chief minister of Kwazulu and president of Inkatha. He was responding to an interview given by Mr Mabuza to the Johannesburg-based newspaper, THE NEW NATION.

The article quoted Mr Mabuza as saying that the African National Congress was the most authentic political organisation in the country.

This followed a visit by the Kangwane chief minister to speak to ANC leaders in Lusaka.

He also said that "progressive" organisations and trade unions were welcome in Kangwane but the region condemned all "bantustan-created unions."

Chief Buthelezi said the interview constituted an unprecedented and vicious attack by Mr Mabuza on himself (Chief Buthelezi), Inkatha and the South African Black Alliance (SABA).

The Inyandza Movement in Kangwane, which Mr Mabuza heads is still a member of the alliance, whose chairman is Chief Buthelezi.

The Inkatha president said that, if the NEW NATION interview was true, then the Kangwane leader had treacherously "stabbed black people in the back.

Chief Buthelezi said when the South African Government announced its intention to hand over all of Kangwane and the Ingwavuma District to Swaziland, it was Inkatha's members and Inkatha's cash which had fought and won the day for Mr Mabuza.

"Is this, then, his way of thanking us? Is his memory so short?" Chief Buthelezi asked.

He said that, since Mr Mabuza's recent association with the ANC mission in exile, his attitude towards Lukatha and Saba had changed completely.

Chief Buthelezi said the Kangwane leader could not "run with the hares and hunt with the hounds."

SOUTH AFRICA

BRIEFS

BUTHELEZI SAYS COUNTRY NOT UNGOVERNABLE--The chief minister of the South African national state of KwaZulu, Chief Mangosuthu Buthelezi, says there is some kind of euphoria in South Africa that the country is becoming ungovernable, but nothing can be further from the truth. Speaking in the KwaZulu capital of Ulundi, Chief Buthelezi said that people who believed that all that was needed now was a final push of violence to bring down the South African Government were wrong. Nothing would be achieved if the government was brought down through violence, and Mozambique and Angola were witness to the havoc that dissenting political parties could cause, he said. Chief Buthelezi told the KwaZulu assembly that even if the ANC succeeded in bringing about the downfall of the South African Government by violence, it would not be able to rule the country. The only way forward for South Africa was through the politics of negotiation and the achievement of national reconciliation, leading to the establishment of government consensus, the chief minister said. [Text] [Johannesburg International Service in English 0630 GMT 16 Apr 86 MB] /8918

CSO: 3400/1529

SOUTH AFRICA

SABC COMMENTARY HAILS REAGAN, CROCKER COMMENTS

MB110559 Johannesburg Domestic Service in English 0545 GMT 11 Apr 86

[Station commentary]

[Text] South Africans, who daily find themselves in the midst of the political turmoil, unrest, and violence that have characterized the past 18 months, may easily have had their balanced view of national affairs distorted by their close involvement. As the saying goes, no news is good news--but in the modern world with its news-hungry media and virtually instant communication, precisely the opposite is true: good news is not news, while the sensational, the violent, and the negative capture the headlines.

The same is true of the reform program in South Africa: positive progress is disparaged or ignored, while violent protest aimed at wrecking the process of reform, is lapped up by the international media.

Under these circumstances, President Ronald Reagan's praise for the South African state president's reform initiatives is refreshing. In a televised news conference, he said it was clear that Mr Botha found the policy of apartheid repugnant and, as he put it, wants change, and has taken a number of steps--as many as he can get away with.

Especially coming from the leader of the Western world, this view of developments in South Africa is significant. Mr Reagan's praise for the reform initiatives follows the statement in Congress by his assistant secretary of state for African affairs, Dr Chester Crocker, that the policy of apartheid was doomed.

Ruling out the possibility of further economic sanctions against South Africa, Dr Crocker said: we don't believe in indiscriminate and blunt acts of economic punishment inflicted on the South African people and society and economy as a way to influence that government. Imposing additional sanctions, he said, would encourage intransigence on both sides.

From a South African point of view, this insight is somewhat belated: Exactly the same argument applied when, in September last year, the American Government imposed limited trade sanctions against this country. And it is generally accepted that this was not done because of any conviction on the

part of the Reagan administration that a ban on Krugerrand gold coin imports and prohibition of computer and nuclear technology exports to South African Government agencies would improve the climate for negotiation: These steps were based on internal American political considerations.

What cannot be disputed, however, is not only that South Africa has firmly opted for reform, but that the process is unstoppably underway. This was pointed out this week by the chairman of BP [British Petroleum] southern Africa Mr I.J. Simms, who said that reform was not a new phenomenon, but had in fact been in progress for the past 10 years. He put it this way: South Africans are practical people. When they have decided to do something, they do it. And South Africans have indeed decided to reform their country.

This preception, that reform is a reality, emanates from people who are perhaps far enough from the woods to be able to see the tree, and therefore in a position to be more objective. South Africans should not allow anomalies such as concomitant American praise and punishment to cause despondency over reform, or to dampen their enthusiasm to work out a peaceful future for the country.

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CSO: 3400/1525

SOUTH AFRICA

NAMDA CONCERNED OVER MINISTER'S WARNING

MB141830 Johannesburg SAPA in English 1817 GMT 14 Apr 86

[Text] Johannesburg, April 14, SAPA--A warning by the minister of national health, and population development, Dr Willie van Niekerk, to a "group of doctors" allegedly involved in fostering revolutionary activities, was noted with "distress" and "concern" by the National Medical and Dental Association (NAMDA) today.

In a statement in Johannesburg, the association said: "NAMDA challenges the minister to clarify for the medical profession what he means by disturbing elements among doctors, and to state clearly who is involved and what the activities are.

"We are further disturbed by the fact that the minister chose to release his statement at an academic meeting of general practitioners."

NAMDA reaffirmed its commitment and support for members of the health profession and organisations which had committed themselves to speaking out against injustices within the health sector.

"We believe it is the ethical duty of the medical profession to oppose those structures within society that are detrimental to health.

"The attack detracts from the major issues in the health sector today, such as the distressing fragmentation of health services, the lack of health service in rural areas and the inequalities of access within the health sector under apartheid," the statement concluded.

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CSO: 3400/1525

12 May 1986

SOUTH AFRICA

PFP SPOKESMAN URGES NONRACIAL EDUCATION

MB161734 Johannesburg SAPA in English 1724 GMT 16 Apr 86

[Text] House of Assembly, April 16, SAPA--The government should create one more education department in addition to the 18 it already had--a department of open education, to control non-racial education in South Africa, Mr Horace Van Rensburg (PFP [Progressive Federal Party] Bryanston) said today.

Mr Van Rensburg, the PFP spokesman on national education, said during debate on the department's vote in the committee stage of the budget that each educational institution in the country should then be allowed to decide for itself whether it wanted to be under this department or under one of the "apartheid" departments.

This would be a practical application of the principle of devolution of decision-making, would defuse racial tension and would be in accordance with the wishes of other population groups.

It would also mean that the government would not longer be the target of the hate that was associated with apartheid education.

Mr Van Rensburg said the minister, Mr F.W. De Klerk, had every opportunity to initiate reforms. Instead he acted as a reactionary, and was in fact the leader of the reactionary element in the government.

The government maintained that [their] own affairs was not apartheid, but "differentiation."

"But who is misled by this transparent suggestion?" said Mr Van Rensburg. "Only the verkrampste [Ultraconservative] elements in the National Party."

The government was supported by less than 10 per cent of the population of South Africa. Against the will and desire of 90 per cent of South Africans, it had decided that educational apartheid would be force on the country.

Virtually the whole of the black, coloured and Indian populations were against apartheid in education.

More than 50 per cent of whites were against it.

"I would estimate that more than 50 per cent of the national party itself is against it," he said.

The government said self-determination was a sacred principle, but it did not allow people to decide that their children could go to school with children of other races.

It should learn the lesson of history. It had been warned repeatedly before the unrest of 1976 and 1985 about the consequences of its arrogant conduct in the education field.

"I ask the minister how many more people must die, how much more blood must flow before this government finally abolishes educational apartheid."

The creation of a department of open education would be "a solution," he said.

Mr Van Rensburg said he had to refer again to the "scandalous" racial criteria used by the government in subsidising private schools.

If a school had less than 10 per cent of blacks in its pupil make-up it received a 45 per cent subsidy.

If it had between 10 and 20 per cent blacks, it got a 15 per cent subsidy.

If it had more than 30 per cent blacks, it would not be registered by the department.

"Is this not blackmail on a racial basis?" He said.

Did the government not realise how humiliating this was for blacks, and how it resounded around the world?

Mr Van Rensburg said that in the interests of South Africa, he made an "urgent plea" to the government.

"We will never get away from the tension and violence in our country until the government is ready to finally and totally eliminate apartheid from South Africa--apartheid at all levels."

This was an absolute prerequisite before people could in dignity and with honesty sit down around a table to work out a new constitution for the country.

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12 May 1986

SOUTH AFRICA

BRIEFS

NEW ZEALAND RUGBY TEAM CRITICIZED--Cape Town, April 16, SAPA--The proposed tour of South Africa by a team of New Zealand rugby players was condemned by the United Democratic Front [UDF] in a statement today. "The presence of the rebel New Zealand rugby players in South Africa smacks of utter selfishness on their part," the UDF statement from Cape Town said. "Their flagrant disregard for the people's will, both here and in New Zealand, has turned them into mercenaries. The Reverend Arnold Stofile, who was instrumental in campaigning against the previous tour, still languishes in detention. That so much money should be spent on paying rebel players while more and more South Africans continue to lose their jobs is an indication of the total disregard for the lives of our people. The UDF condemns their presence here in the strongest terms. They and their hosts must bear full responsibility for the mass anger which their presence here will generate." [Text] [Johannesburg SAPA in English 2305 GMT 16 Apr 86 MB] /8918

MORE PROFESSIONALS IMMIGRATE THAN EMIGRATE--House of Assembly, April 15, SAPA--More (629) professionals had immigrated to, than emigrated from, South Africa last year, with the exception of lawyers, the minister of administration and economic advisory services, Mr Eli Louw, said today. Replying to a question from Mr Peter Soal (PFP Johannesburg North), he said doctors (129 in, 58 out) had shown a gain of 71. The figures for other professions were (immigrated, emigrated): Dentists 14 and 12; lawyers one and 17; architects 59 and 30; social workers 10 and 8; quantity surveyors 36 and 15; scientists 103 and 69, and other professions 1,921 and 1,450. [Text] [Johannesburg SAPA in English 0127 GMT 16 Apr 86 MB] /8918

CSO: 3400/1530

12 May 1986

SOUTH AFRICA

BRIEFS

IMPORTS INCREASE 1 BILLION RANDS--Johannesburg, Apr 16, SAPA--Imports to South Africa totalled R4.8-billion for the first 2 months of 1986, having increased by R1-billion over the same period of 1985. Almost the entire R1-billion increase is due to "unclassified import" according to the government GAZETTE, of which oil would probably account for the major part. [Text] [Johannesburg SAPA in English 1608 GMT 16 Apr 86 MB] /8918

EXPORTS INCREASE 25 PERCENT--Johannesburg, Apr 16, SAPA--South African exports increased by 25 per cent in January and February this year to reach R6.5-billion. This shows an increase of R1.3-billion, while the rand value remained static. Every category of exports increased, except paper- and textile-based products as well as precious and semi-precious stones. Figures released by the government GAZETTE indicate that non-gold exports increased by R2.7-billion (on an annualised basis), while unclassified goods (such as gold and armament) showed an increase by R836-million. The balance of exports increased by R450-million. [Text] [Johannesburg SAPA in English 1608 GMT 16 Apr 86 MB] /8918

CSO: 3400/1528

12 May 1986

SOUTH AFRICA

DETAILS OF COUNTRY'S AUTOMOBILE INDUSTRY GIVEN

Johannesburg THE SUNDAY STAR in English 23 Mar 86 p 11

[Article by Jeremy Sinék]

[Text] The vast majority of major components of a car are made in South Africa. But not necessarily for all cars. For instance, some local models use local engines, others use imported ones. Also, some sub-components, such as piston rings and timing chains for engines, are still imported.

Local content regulations require that on average 66 percent of any car must be made in South Africa. But that is 66 percent by mass.

The hightech components are usually imported and that accounts for from 60 to 70 percent of a car's value.

WHY doesn't South Africa build its own car?

With spiralling car prices blamed on the cost of imported parts, and with the ever-lurking threat of sanctions, it's a question that must lie at the back of many a motorist's mind.

Of course, we already do build several hundred thousand vehicles in this country every year. But these are not indigenous designs. They were developed overseas by the parent companies of South Africa's Big Seven car makers.

Moreover locally built cars contain a hefty helping of imported parts.

Local content regulations require that, on average, 66 percent of any car be made in South Africa. But that

means 66 percent by mass. Most high-tech components, however, are imported, and these now account for 60 to 70 percent of the car's value.

So, could South Africa ever go it alone?

The question needs to be considered from two angles. One, would it ever be desirable and financially viable for South Africa to do so? And two, if sanctions ever led to a situation where we had to build our own car, do we have the ability?

The first question is easy to answer

— No.

Quite simply, the costs involved would make it prohibitive.

The reason lies in those three words that can make or break any industrial endeavour: economies of scale — the basic rule which says the more you make of a product, the cheaper it can be.

With a car, as with any manufactured product, the lump-sum investment costs that go into designing it and then building a factory to produce it, have to be recovered in the price of the car.

Obviously, the higher your sales, the more cars across which you can spread the burden of the original investment, and so the cheaper the car can be.

As things stand the SA market is already too small for effective economies of scale. The cost of setting up production — typically R50 million to R100 million — is too high, even though the costs of designing the cars was incurred overseas.

Yet if we had to design and develop a car from scratch, and produce the machinery locally as well, the costs could be many times that amount.

Numbers problem

The modern car is so tremendously sophisticated that the costs of research, design and development are prohibitive, and only practical if you're going to build and sell huge numbers.

A quote from the British magazine *Motor*'s description of a new Renault model makes it plain: "When the bill for the R21 reached R1 450 million, worried Renault chiefs called a halt. The guillotine fell on a new gearbox for the two-litre engines."

Not only small countries like South Africa run up against this numbers problem. As Colin Downie, Toyota SA's director of engineering, points out: "Many countries that used to build cars, no longer do so. Take the UK. It used to have countless different makes: now it only has one wholly British mass-producer of cars."

Moreover, many experts doubt whether even Austin Rover on its own, which makes twice as many cars as the entire SA industry put together, is big enough for long-term viability. Already that company has embarked on a policy of collaboration with, or buying in major components from other car makers.

The question remains, could South Africa build its own car if it had to?

Here the answer is yes — but at a price.

NAAMSA director Nico Vermeulen sums it up: "It isn't beyond the capability of SA to produce a purely domestic vehicle, but the research and development necessary would be cost-ineffective in view of the small volumes."

Certainly we have the ability. Most senior engineers I spoke to agreed that we have — or could import — the necessary skills and technology to make just about anything, from body-shell downwards.

Unique SA designs

Indeed, there have been in the past, and still are, some uniquely South African designs. GM's jeep-like Nomad of the 1970s is one past example. And a variety of low-production specialist sports cars are made here today.

But the Nomad was a crude, unrefined utility vehicle, whereas, in the words of senior Ford engineer Rudi Geggus: "The South African car buyer is very sophisticated and very choosy. He wouldn't want anything that hasn't got the background of Japanese or European technology."

The sports cars, on the other hand, rely on hand-built glassfibre or aluminium body structures that would be quite unsuitable for mass-production. And mass-production, as we've already seen, requires a huge investment in purpose-built machinery and factories.

If the trade taps ever were turned off, a more realistic scenario would be to continue building existing models, and work towards 100 percent local content. Says Colin Downie: "We'd lock into the cars we've already got, and then find ways of making the components we lack."

According to Denzyl Vermooten, spokesman for the component makers' association NAACAM, there are some 400 component suppliers to the Big Seven car manufacturers.

"Anything can physically be made here, with very few exceptions," he says. "But it's got to be a viable, paying proposition. There's always the cost factor, especially with the very hi-tech stuff."

If 100 percent local content were suddenly forced on South Africa, the short-term problem areas would be carburettors and distributors. These

complex precision components are not currently made by anyone in South Africa and although they could be, it would take time.

Another major item not currently made in South Africa is a car gearbox. Axle manufacturer Borg-Warner has the know-how to make a gearbox, and 'boxes for heavy trucks are already made here, but there exists no factory for mass-production of a car gearbox.

A logical and necessary development would have to be increased collaboration and harmonisation of parts between car makers. All large rear-wheel drive sedans, for example, would have to use to Borg-Warner's five-speed gearbox — the design already exists, though not yet a factory to build it.

Hybrid models

Likewise, Toyota, Ford and Nissan each produce some of their own engines in South Africa, but the rest are imported. In the short term, at least, you would thus have hybrid models with, say, BMWs using Ford engines, Nissan-propelled Mazdas and so on. The choice of models would inevitably drop.

Even where components are assembled locally, they often still contain imported parts. For example there would be a delay until certain engine subcomponents which are currently imported, such as timing chains and piston rings, could be put into production locally.

Many lightweight electrical parts such as switches, suppressors, instruments etc are, likewise, imported at present.

Harsh economic reality suggests that parts made here would be relatively simple, even crude. The really high-tech stuff would be too expensive to make, even if we did have the skills. Moreover, to recoup costs the parts would have to stay in production for long periods without change. As a result, local technology would slip behind developments elsewhere.

Colin Downie holds up Brazil as an example of what could happen here: "In Brazil everything is 100 percent local, and the result is two negatives," he says.

"Firstly, vehicles are very expensive. And secondly, they lack modern technology.

"Outdated models are produced for long periods, using imported tooling of obsolete foreign models, and at quality levels below what we have been led to expect."

At the bottom line, though, the whole question will almost certainly remain hypothetical.

For reasons of cost, South Africa would never voluntarily choose to mass-produce a wholly indigenous car. And in the event of sanctions, ways would still be found to import the crucial components.

In the words of Nico Vermeulen: "Profitable trade links will always outweigh political antipathy."

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CSO: 3400/1537

SOUTH AFRICA

BRIEFS

NEW AIR SERVICE TO BLOEMFONTEIN--Magnum Airlines yesterday began flights from Bloemfontein to Johannesburg via Welkom. The 80-minute flights leave Bloemfontein at 6.30 am from Mondays to Saturdays. The flights from Johannesburg are at 5.30 pm from Mondays to Fridays and 6.30 pm on Sundays. The fare is R112 single and R224 return. Magnum has also reached agreement with National Airways on the operation of the Johannesburg-Sishen route. From today Magnum will no longer provide a service to Vryburg and Sishen. But National Airways will fly direct from Lanseria to Sishen three times a week. The Vryburg route has been suspended temporarily. [Text] [Johannesburg THE STAR in English 2 Apr 86 p 8] /9317

LEYLAND SITE FOR SALE--Cape Town--The former Leyland motor assembly plant at Blackheath in the Cape is to be sold by SA Motor Corporation. The price is negotiable but the 32ha property could fetch at least R5 million. It is probably the largest developed industrial property to come on to the market in the Cape, says Mr David Annenberg, the broker handling the sale. "Nine factories could easily fit inside it."--Sapa [Text] [Johannesburg THE CITIZEN in English 24 Mar 86 p 15] /9317

TUNNEL CONSTRUCTION COSTS SOAR--The cost of Africa's longest transport tunnel, a 13,3km rail route below the Hex River mountains, is likely to rise to four times the contract price of R26 million--and some R80 million of it could be claimed from SATS by the French company building it. The tunnel, started in 1980, was due to be completed in August 1984, but will not be ready until 1988, mainly because a major rock fault zone is slowing down work. The quadrupled cost and the delay may lead to the largest arbitration case in the history of South African building. The French-based Comiat construction company will claim that SATS's geological investigation of the tunnel site was inadequate. Both parties are unwilling to comment on the large claim which has been estimated by Construction Week as being about R80 million, more than three times the original tender. Comiat has said that the unexpected fault zone in the central loop section of the tunnel has forced it to use new techniques and equipment, and to undertake heavy rock support measures. Unofficially, SATS has indicated that their study was not over-optimistic, and that the French company could have foreseen the problems. [Text] [Johannesburg THE STAR in English 25 Mar 86 p 33] /9317

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